and for admitting Spain and Portu-

• GOLD fell \$3.75 in London to

\$378.625. In Frankfurt it closed \$2

down at \$379, and in Zurich it fell \$3 to \$379.5. In New York the Co-

mex November settlement price

• LONDON: FT Industrial Ordi-

nary index closed 3.1 up at 721.4, taking its rise over six trading days to more than 36. Report, Pages 27, 31, FT Share Information Service,

• WALL STREET: Dow Jones index closed down 3.45 at 1.214.84. Report Page 27. Full share prices, Pages 28-39

■ TOKYO: Nikkei Dow index edged

down by 0.99 to 9,316.21, and the

Stock Exchange index was 0.31 up

at 682.62. Report, Page 27. Leading

prices, other exchanges, Page 30

• COPPER prices fell in London, with the high-grade cash price

£11.25 a tonne down at £907.75

(\$1,347.1), lowest since December

• DOLLAR touched record levels

against some currencies yesterday

ecause of the Lebanon situatio

gal. Page 16

Pages 32, 33

21. Page 36

was \$381.4. Page 36.

Tuesday November 8 1983

EUROPE'S BUSINESS NEWSPAPER

D 8523 B

U.S. still New plan undecided for limit on EEC on arms talk offer budget

 GREECE circulated to other EEC The U.S. Administration is apparcountries a new plan to set January 1 1986 as the date for raising the leently divided over whether to make a last-minute offer at the arms congal limit on the Community's budtrol talks in Geneva on nuclear get revenues - it suggests 1.8 per weapon levels in Europe. cent of value added tax revenu

No decisioo is likely until the end of the week when Deputy Secretary of State Kenneth Dam and Uoder-Secretary for European Affairs Richard Burt return from consultations with Neto allies. Page 2

Mr Dam had a 90-minute working breakfast with British Premier Margaret Thatcher in London, at which she warned him that a resumption of U.S. arms sales to Argentina would seriously damage Anglo-U.S. relations. Lebanon and Grenada were also on the agenda. Earlier story, Page 4

Anglo-Irish progress

A cautious meeting between UK Premier Margaret Thatcher and Republic of Ireland Premier Dr Garret FitzGerald is believed to have gone a long way to restoring close relations after the disagreements of the past two years. Page 8

Peace campaign

British women peace campaigners will camp outside all 102 U.S. bases in Britain for 24 hours from tomor row night to coincide with a New York federal court hearing of a case claiming that cruise missiles are

New spy charges Y237.05 (Y236.45). Its Bank of England trade-weighted rose from 128 British Intelligence agent Michael to 128.3. In New York it closed at

Bettaney, accused of giving secrets DM 2677; FFr 8.1275; SwFr 2.178 to the Soviets, faced six new and Y236.75. Page 37 charges in a London court yester— STERLING tell 30 points to day, alleging that he revealed a S1.484, was unchanged at V352 and British assessment of the KGB net-rose to DM 3.98 (DM 3.97). FFr

Argentine hand-over

Argentina's military rulers will hand over to President-elect Raul Alfonsin, the Radical leader, on December 10 and not January 30 as originally planned. Page 4

Uruguay shuffle

Uruguay military rulers have named the country's ambassador to the U.S., Alejandro Vegh Villegas, as Economy Minister in a move apparrently aimed at defusing mount-

Assam bomb kills 11

A bomb at the railway station in Gauhati, capital of Assam in north-east India, killed I1 and injured at least 60 people. The state had been relatively quiet after a period of eth-

Quake hits China

An earthquake killed at least 50 in the eastern Chinese provinces of Shandong, Hebei and Henan.

Iran claims wins

Iran says its forces, in a 19-day-old offensive in northern Iraq, have beaten off several counter-attacks near the border town of Penjwin, with more than 400 Iraqis killed.

Unita offensive

Angolan rebel movement Unita said against government forces in the Luanda, Bengo and Uige provinces.

Chinese free spy

Convicted Chinese spy Lo Cheng-Hsun, Peking appointed editor of a Hong Kong left-wing newspaper, was freed from 10 years' jail after confessing that be had worked for U.S. intelligence.

Liu Gong, an executive of the En-lish language magazine China pliance maker, increased unconsoliglish language magazine China Reconstructs, is said to have appli-Reconstructs, is said to have applied for asylum in the U.S. while visiting there.

dated pre-tax profits by 13.7 per cent in the half ended September at 125.12bn (S107m). Page 18

NEWS SUMMARY Citicorp buys large stake in London stockbroker

BY DAVID LASCELLES AND JOHN MOORE IN LONDON

CITICORP, the giant U.S. banking group, is to gain n significant foot-hold in the international stockbroking business by buying a stake in Vickers da Costa, the London broker with a strong presence in the Far East.

In a deal worth about 520m (530m), the U.S. group plans to buy 29.9 per cent of Vickers's London business - the most allowed by the London Stock Exchange - as well as n controlling interest in its busi-ness abroad. But the terms allow Citicorp to raise its stake in the end whenever the rules London

The agreement will have to be approved by the London Stock Exchange and Vickers's shareholders, as well as the authorities in the UK

Citicorp will make the acquisition through its Capital Markets Group formed in 1982 to pull together its worldwide investment banking activities. That is also necessary to separate, for regulatory reasons, Citicorp's non-banking interests from the pure banking ones conducted by its main subsidiary, Cit-

The deal is the third of its kind in the past 18 months and comes when deregulation of the London Stock Exchange should make it a lot easier and more attractive for outsiders to enter the London stockbroking business.

the stock exchange in London. Un- structure.

Stakes" bought in UK

11/63

der that deal, the Government ing business.

Sir Kenneth Berrill, chairman of change from the restrictive prac-Vickers da Costa, said yesterday tices legislation, provided the exthat both sides had been in talks for three months after the deal be-tween the British Government and market's minimum commission

Although the deal only gives Citicorp n 29.9 per cent stake in the part of the group which is n mem-ber-firm of the London exchange, tha U.S. group is acquiring around 80 per cent control in Vickers da sta's other subsidiaries. The Vickers management is expected to

The stock exchange said yesterday that it was quite happy with the deal by Citicorp, although financial control of Vickers's other interests would reside with the U.S. group.
Vickers da Costa has British institutional shareholders that include Electra Investment Trust, In-

dustrial & Commercial Finance Corporation, the Post Office Staff Superannuation Fund and the Prudential Assurance Company. Some of the institutional shareholders participated in the consortium

that in 1981 supported Vickers' current management in e buy-out of equity owned by senior manage ment who had retired or resigned. Vickers da Costa is noted in Lon-

don for its large Far Eastern opera-tions. It is the longest-established foreign broker in Japan and has n full branch office in Tokyo. According to a market research survey. the firm accounts for over a quarter of all foreign equity commissions handled by UK stockbroking firms for institutions with foreign equity

For Citicorp, which aspires to be in every main segment of the world financial services market, the deal will add yet another facet and bring it new expertise and business in Eu-rope and the Far East.

Lex. Page 16

Syria and Israel flex military muscles as rebels press Arafat

BY ROGER MATTHEWS, MIDDLE EAST EDITOR, IN LONDON

Syria put its armed forces on maximum alert yesterday and began calling up reservists in response to what officials in Damascus claimed were "aggressive American and Israeli intentions."

under intense artillery barrage for

back on Tripoli, shellfire began to hit the city, intensifying fears for

the safety of the estimated 400,000

A delegation from five

Arab states will travel to

Damascus to discuss the

A military spokesman in Tel Aviv also announced that Israel would shortly hold a general mobilisation exercise. He insisted that the exercise was planned to test Israel's military reserves procedure and had nothing to do with the current ten-sion in the Middle East.

but settled to DM 26815 (DM 26685 on Friday), FFr 8.14 (FFr 8.1675), SwFr 2.179 (SwFr 2.169), and Israel sought to make it clear to Damascus last night that it had no intention of attacking Syria. Offi-cials at the Defence Ministry in Tel Aviv said they were worried by the general mobilisation in Syria, which they feared could lead to an uncontrolled deterioration of the situation in the region.

Throughout yesterday afternoon 12,6775 (FFr 12,055) and SwFr 3,236 Damascus radio broadcast coded messages calling up reservists from (SwFr 3.2275). Its trade weighting York it closed at \$1.4855. Page 37. pha Tlas, Syria's Defence Minister, ● CHINA is looking for close co-opspoke to the Cabinet during the morning to explain the military sit-uation. He referred to the U.S. naeration with Britain in all forms of energy development said UK Energy Secretary Peter Walker in Peking. Page 4 val build-up in the eastern Mediterranean and continuing U.S. military

flights over Beirut. FRENCH unemployment is likely to rise in the next five years, said the national statistics institute, In northern Lebanon, Syrian-backed Palestinian rebels contined their assault on forces loyal to with a possible loss of 0.5m jobs be-Mr Yassir Arafat, the chairman of cause of rising productivity. Page 2 the Palestine Liberation Organisa- INDIA'S industrial production was 3.5 per cent up in the April-June quarter from 1982. Page 3 tion. Mr Arafat's last stronghold, the Palestinian refugee camp at Baddawi, just north of Tripoli, came

plight of PLO troops besieged by Syrian forces in Lebanon, according to officials at the summit of the six-nation Gulf Co-operation Council in Doha, Qatar. The five countries are Saudi

civilians in the town. Lebanese security forces put the death toll from the five days of fighting at 250, with up to 1,000 wounded.

Kuwait and Algeria.

The largest militia group in Tri-poli, the Islamic Unification Group, pledged to fight alongside Mr Ara-iat's troops if rebel forces attempted to enter the city.

Heavy fighting broke out later in the day around U.S. marine positions at Beirut airport. One marine

nior ministers in the Government

of Mr Bulent Ulusu, the outgoing prime minister, failed to win seats

Ulusu got in only narrowly.

in the new Parliament. Even Mr

The NDP's leader, Mr Turgut Sunalp, conceded defeat early in

the day. It is assumed in Ankara

that he and his party - which won only 72 seats compared to the 211 of the Motherland Party, and 113 of

the Populist Party - will now play only an insignificant political role.

The main opposition party will be the Populist Party, which won the solid support of state-sector em-

ployees and organised labour in the

large cities.
The party's relative succes

seems to have taken even its found

Ten seek gesture from Ankara; Editorial comment, Page 14

U.S. trucks: Paccar profits Swiss Banking and Finance

ers by surprise.

was slightly injured as the U.S. troops came under fire from rocket much of the day.

As more of Mr Arafai's forces fell propelled grenades and mortars. A marine spokesman said the shooting was the heaviest since the mber 25 ceasefire agreement Beirut airport was forced to close and shells also fell on nearby Moslem areas where Shia militias had been exchanging fire with the Leba-nese army throughout the day.

Twice during the day U.S. carrierbased alreraft swooped low over Beirut and the surrounding hills. The U.S. has refused to rule out military retaliation once it has identified those responsible for the deaths of 230 marines over two weeks ago. Israel has pledged that it will hit. back hard at those who killed 28 Is-

The Greek Government, speaking on behalf of the European Economic Community, yesterday ex-pressed its fears of a more general outbreak of hostilities in the region. The ambassadors of Syria and Lebanon were summoned to the For-eign Ministry in Athens to be told of EEC concern about the fate of civilians caught up in the Palestinian fighting around Tripoli.

Israeli spending curbs approved, Page 3; Arafat in a Syrian trap, Page 14

IMF package for Brazil set to go ahead

BY PETER MONTAGNON IN BASLE

THE INTERNATIONAL Monetary Fund (IMF) is almost certain to give the go-sheed to the proposed \$11bn rescue package for Brazil when its executive board meets in Washington this month.

Mr Jacques de Larosière, IMF nanaging director, told central bankers meeting at the Bank for International Settlements (BIS) in Basie yesterday that he was broadly satisfied with Brazil's economic adjustment programme. IMF en-dorsement of this programme is a key precondition for the rescae

But since Brazil outlined its proposed austerity measures in a letter to the IMF two months ago, it has twice made significant changes to its wages policy. This has raised doubts about whether Brazil would comply with the IMP's requirement for a reduction in real wages.

Senior central bankers admitted gramme, which is before the Brazil ian Congress, was a second best They still believed, however, that Brazil would be able shortly to clear up "one or two outstanding points with the Fund to allow the package to be approved in Washington this month.

Mr de Larosière was in Basie yesterday to press the central bankers to lend the IMF SDR 3bn (\$3.3bn). The money is needed to rebuild the Fund's cash resources which have been depleted by this year's record loans to Latin America.

In e rare statement from Basic last night, Herr Karl-Otto Pobl. chairman of the Committee of Central Bank Governors from the Group of Ten richest industrial countries, said the central banks were in principle disposed to give favourable consideration to the loan request.

But he said that the loan would only be finalised after member-governments had ratified the pro-posed 50 per cent increase in IMF note subscriptions. This indicates that Mr de Laro

siere failed yesterday to persuade the central bankers to go ahead with the loan before the U.S. Congress has passed its \$6.4bn share in the IMF quota increase.

IMF.

the Bank for International Settlements, said last night he was hope-Si.85bn outstanding in short-term cent of a bank's "capital at risk" loans from the BIS and Saudi Arab (sliare capital plus reserves) and ia by the end of this month. ia by the end of this month.

the IMF's programme for Brazil is likely to go ahead. Brazil has said it would only repay the BIS money when the IMF resumes loan disbursements halted in May because of Brazil's failure to comply with its economic targets.

Continued on Page 16

Germans find bank rescue cheap at the price

By Jonethan Carr in Bonn THE CHOST of the Herstatt debecle nearly a decade ago still stalks the corridors of West German banks. No sooner had the painful rescue of the private bank Schröder, Münchmeyer, Hengst and Co. (SMH) gone through last

week, than those involved were anciously stressing almost before they were asked. It isn't another Herstatt." There are big differences between the collapse of Bankhaus I. D. Herstatt in June 1974 and the SMH affair. The key one is precisely that the German banking com-

munity rushed in to support SMH before the worst could happen.

The shocked bankers gathered at e midnight meeting in Frankfurt ground their teeth as they pledged

well over DM 600m (\$225m) to keep SMH afloat. But they knew that if the stricken institution were to fail, the loss of confidence at home and abroad in the West German banking system would prove far more costly. It could almost be said that in view of the possible consequences, the rescue was cheap at

Moreover, while Herstatt fell because of huge losses in fraudulent foreign exchange dealing, SMH over-extended itself by lending to industry, especially to the IBH building machinery group of the dy-namic Herr Horst-Dieter Esch, Last Friday, IBH applied for court settle-ment proceedings to avoid bank-ruptry but Herr Each continues to insist that his group is basically sound and has a good future, so long as his creditors and shareholders do not desert him:

Despite the differences, the SMH affair raises basic questions about. West German banking hardly less urgent than those which emerged The U.S. Government has all over Herstatt, and which at first ready said it would not contribute. sight may look more baffling. After to the central bankers loan to the all, the Herstatt collapse speeded sight may look more baffling. After an amendment in German banking Dr Fritz Leutwiler, president of Jaw in 1976, with much tougher rules on credit and supervi Among other points, no individu-

ful that Brazil would repay all the al large loan could exceed 75 per This is further confirmation that ceed three times capital. The Bundesbank, the West German central bank, and the Federal Banking Supervisory Office were given powers to gain more information and move quickly if there were signs that SMH has not only been among

Continued on Page 16

Ozal seeks accord

MR TURGUT OZAL, whose Mothing, and on pronouncement on his erland Party has gained a working victory was forthcoming from offi-• BLACK AND DECKER of the U.S., world's largest power tool maker, achieved net income of \$44.2m in the year ended Septemtry's armed forces.

ber 25 after a major restructuring following its previous year's loss of \$76.6m. Page 17 LUCAS INDUSTRIES, UK vehicle and aerospace parts maker, suffered a 90.4 per cent drop in its pretax profit for the year ended July, at £2.1m, due to a £33.1m (\$49.1m) loss

on vehicle parts. Lex, Page 16. Details, Page 21 • A. G. BECKER Paribas, the New York investment bank, has established a \$127.5m seven-year revolving credit and term facility designed to meet its capital needs for the next few years. Participants in the deal include First Chicago, Citi-bank, Continental Illinois, Morgan Guaranty and Security Pacific.

• SOUTH AFRICA'S foreign cur

rency reserves fell from RIbn to R572m (\$488m) in October. Page 3

• DANES will be able to buy sbares in foreign companies with-out restriction from January I, for the first time since 1931. Page 18

BANGLADESH launched a \$91m

for the next six months.

programme to give 2.5m people jobs

with Turkish junta

BY OUR ANKARA CORRESPONDENT

majority in the new Turkish Parliacial circles. ment, is preparing to establish n working relationship with Presi-The defeat of the Army's fa voured party, the NDP, has sent shock waves through the Turkish political establishment. Three sedent Kenan Evren and the coun-

Mr Ozal said yesterday that he would ask to see President Evren this morning. He made clear that the meeting would take place at his He said be was sure the Presi-

dent would go ahead and appoint him as Prime Minister, and that there was no question of trying to His remarks followed speculation in Ankara that he might have diffi-

culty in building up a satisfactory relationship with President Evren because of embarrassment to the army after the President's thinly veiled appeal on Friday night for voters to reject the Motherland Pary, and vote for the Nationalist Democracy Party and its leader, for-mer General Turgut Sunalp.

Ankara Radio did not broadcast

news of Mr Ozal's overall majority in Parliament until Monday even-

Andropov misses parade By Anthony Robinson

MR Yuri Andropov, the ailing Soviet leader, broke more than six decades of Soviet tradition when he failed to appear yesterday at the military march past in Moscow's Red Square celebrating the 66th an-niversary of the Bolshevik revolu-

His place on top of the red marble

the march past by crack parad troops and ageing military hard ware, an unidentified man sat down in front of Lenin's tomb and set fire to his petrol-soaked clothes before being bundled away by plain clothes policemen. An accomplice started explaining the reasons for the protest, but he, too, was arrest-ed and eyewitnesses failed to catch the motive behind the action.

Lenin Mausoleum was taken by Marshal Dmitri Ustinov, the Defence Minister, flanked by Polithu ro member Mr Konstantin Chern enko and Mr Nikolai Tikhonov, the Prime Minister. Some 90 minutes after the end of

Potential successors, Page 16

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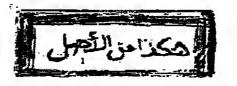
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Computer to

track down

lost cargoes

A NORWEGIAN company is

lines, forwarders, marine in-surers and port authorities.

Rewards will be paid for "input" which helps trace a lost cargo. The claims and recoveries office of Lloyd's of London

has already promised to supply details of lost goods.

ship or aircraft, and then turn up in a terminal where no one claims them.

Data Tracer is using leased

computer facilities at present Early next year, however, it will buy its own hardware. This will be installed in the little.

Washington split on Geneva talks Portugal's

Ten seek human rights gesture from Ankara

freezing of an Ecu 600m programme would be delayed (£426m) financial protocol until after soundings had been which was supposed to run from 1982-87 has become the symbol of the Community's dis-

BY BRIDGET BLOOM AND JAMES BUCHAN IN BONK

THE U.S. ADMINISTRATION is German Chancellor, said yester- posed that the U.S. should offer It is likely to want a new offer reportedly divided over whether day that Washington is most a global ceiling on each side of to make a last-minute offer at likely to put forward precise 600 nuclear warheads on the Geneva negotiations on numerical proposals on mediumcontrolling nuclear weapons in Europe. No decision is likely to be made before the end of this week when Mr Kenneth Dam, Deputy U.S. Secretary of Dam, Deputy U.S. Secretary of State, and Mr Richard Burt, Under-secretary for European Affairs, have completed inten-sive consultation with Nato

These began in London yesterday and continue in Bonn today and are also aimed at improving U.S.-European relations in the aftermath of the

BY JOHN WYLES IN BRUSSELS

FORMATION of a democratically elected government in

Turkey should lead to an early improvement in political relations with the EEC including

the release of a f342m Com-munity aid programme for

But according to Community

officials here yesterday, the new government must aid the rap-

prochment process by making an early gesture in the field of human rights such as ending the trials of the 52 DISK trade

EEC-Turkey relations hava

een steadily deteriorating since

the 1980 military coup because future of the financial protocol.

Of the Ankara regime's worsen
But any Commission initiative

Herr Helmut Kohl, the West

range nuclear weapons before the possible suspension of the talks at Geneva.

His remarks, made after his return from a tour of Asia, seemed to confirm U.S. reports last week that Mr Paul Nitze, the U.S. negotiator in Geneva, wants to make as precise n proposal as possible as a gesture of goodwill in the face of Soviet

threats to leave the talks. However, the Administration is understood to have rejected specific proposals for a new offer suhmitted to Washington last week. It was reported over the weekend that he had pro-

But following news of the

apparent election success of Mr Turgut Ozal and his Motherland Party, officials believe that a

could begin next month. The new government's foreign mini-ster is expected to take advant-age of his presence at a Nato ministerial meeting in

Brussels to visit the European

Commission to discuss the

in EEC-Turkey relations

medium-range land-based mis-

Nitze's proposals have apparently been turned down in Washington on the grounds that the numbers of warheads are too high and would allow the Soviet Union to retain too many missiles in the Far East. Whether Mr Nitze is autho rised to put forward amended proposals at Geneva will depend on this week's consulta-tions which culminate in a meeting of Nato's Special Consultative Group in Rome on

Thursday, Bonn's view will determine the U.S. decision, officials say.

ment and member governments had also clearly reacted positively to developments in

Clear divisions among the

Ten emerged last year after the

referendum on a new constitu-tion for Turkey. Both West Germany and the UK, under strong U.S. influence, have argued for a more flexible

approach. But this has been vetoed by France, Denmark and

the Netherlands which have

demanded greater liberalisation on human rights.

made even if only to ettempt to re-assure the West German public of U.S. good intentions in advance of the critical Bundes-tag debate on the missile issue

tag debate on the missile issue in two weeks time.

Herr Kohl said yesterday he had received a letter from President Nicolae Ceaucescu of Romania, proposing that the problem of the British and French nuclear weapons be set aside and addressed leter in talks at which the UK and France could take part

France could take part.
The latter has also been sent to Presidents Yuri Andropov and Ronald Reagan. Herr Kohl described this support for the Western position out of Eastern Europe as "highly significant."

among the sponsors of a com-plaint against Turkey to the European Court on Human Rights which is due to be heard

Strasbourg in December.
Once this is out of the way

and providing the new Turkish

Government is clearly moving in the direction of greater liberalisation, then officials believe that the Community's

relations with Turkey can begin

to improve.

The European Commission

yesterday put out a guarded statement interpreting the Turkish election results as a "positive event" but stressing that a lot needed to be done to

on the current account could come in at about \$1.7m, \$300m less than the target stipulated in Portugal's letter of intent.

Prof Lopes, addressing a seminar of 160 foreign bankers organised by the Banco Portages do Atlantico,

Short term goals he said implied clear containment of domestic de mand, with roughly stagnant gross domestic product this year and a contraction in 1984, of 1.4 per cent. This will be the result of significant reduction of about 12 per cent in the

Prof Lopes said that this is the noment to prepare a crucial turn-

trading deficit 'controlled'

By Diana Smith in Lisbon

PORTUGAL'S current account deficit is now under control according to Prof Ernani Lopes, the country's

Bank of Portugal officials esti-mate that thanks to continued reduction in imports and steady growth of exports the 1983 deficit

said that he saw no reason to doubt that the main goals of the short term emergency policy would be at-tained in 1984 if the Government's policies were pursued with determi

ing point in the management of the Portuguese economy, breaking e ten year old vicious circle of stop-

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EEC takes further action to restrict Spanish steel

BY PAUL CHEESERIGHT IN BRUSSELS

THE EEC has stiffened its defences against the sale of the particular action on conspanish steel products. The Commission started talks In its third action against

Spain in 18 months, it

imposed a provisional antidumping duty on Spanish
exports of concrete reinforcing.

bars; • suspended the bilateral price agreements covering the sales of this product;

mounted an anti-damping

mounted an ans-tamping investigation.

The measure is of immediate interest to the West Germany is the main target for Spanish concrete reinforcing bar sales in the EEC, taking in 4,140 tonnes in 1980, 25,740 tonnes in 1982 and 84,849 tonnes in the first half of this year.

The Bonn Government has recently mounted a strong campaign against the European Commission's edministration of the EEC's steel crisis regime and protested vigorously about the high proportion of imports which find their way to the West German market.

planning to assemble a compu-terised register of lost and found cargoes that could save the world's shippers and insurers millions of pounds a with Spain before the summer about the working of the hilateral agreement covering the quantity and price of Spanish steel sales on the EEC market. In October, Eurofer, the steel industry confederation lodged its anti-dumping com-plaint, thereby bolstering the Commission case against Spain. ciaims to be the first of its kind. It will collect information from an international network of subscribers including shipping

The provisional anti-dumping duty lasts for four months and will be levied at Ecu 38.79 (£22.11) a tonne or the difference between the Spanish contract price and the EEC base price for concrete reinforcing bars—whichever is the higher.

Spanish prices, the Commission said, have been under-cutting EEC hase prices by an average of 12.4 per cent. This According to Mr Ib Eriksen an executive with the company cargoes "lost" in the inter-national transport system are forced Community producers to lower their own prices below cost and is therefore held to have undermined the restruc-turing effort of EEC industry. national transport system are worth several billion pounds annually. Some are stolen, some simply go astray because they are loaded on to the wrong

French left wing suffers more setbacks at polls

BY PAUL BETTS IN PARIS

THE LEFT suffered further set- considerable immigrant labour. backs at elections in two Paris suburban communities at the weekend. One of the polls also confirmed the rising popularity of the extreme right-wing National Front which has capital lised on France's growing North African immigrant problem.

The elections at Villeneuve Saint-Georges and Aulnay-sous-Bois in the Paris "red belt" suburbs were reruns of those held last March will were annulled because of electoral frand by the Communist Party.

frand by the Communist Party.

In the first round of the rerun election at Villenenve, the opposition list won outright with 50.2 per cent of the votes. At Aulnay, a second round will be necessary although the rightwing opposition list made a strong showing. It gained 45.13 per cent of the votes compared with 40.35 per cent for the list led by M Pierre Thomas, the Communist Mayor.

considerable immigrant labour. The weekend's results appear to reflect in part local dissatisfaction with the formerly Communist-run local administrations especially after they were found guilty of fraud in the March elections.

The polls have taken on broader significance, however, and have been viewed as

and have been viewed as national tests of the popularity of the Left in France which is going through a particularly bad phase. At three other local elections held since the summer the Left has been defeated.

The opposition has used these local elections as examples of the growing feeling of discontent with the Leftwing Government's economic and social policies. But although the opposition has clearly been encouraged by the results, it is also increasingly concerned by the National Front's growing popularity.

led by M Pierre Thomas, the Communist Mayor.

Perhaps the most significant aspect of the Aninay poil, however, was the 9.32 per cent UDF which will have to decide polled by M Guy Viarengo, the National Front candidate. Although the Front will be out of the second round, its strong performance was an important success for the party.

Last September the National Front polled 16.7 per cent at local elections in the town of Dreux where the race issue dominated the campaign. Race also played a prominent role at Aulnay, a community near Le Bourget airport and home of a large Citroen car factory with

Solidarity

calls for

protests

By Our Foreign Staff

UNDERGROUND Solidarity lead-

to last week's reimposition of butter

shows how extremely sensitive the issue of consumer supplies is be-coming. A rush on washing powder in the shope has also brought ur-

gent government denials that that is to be rationed. The Solidarity statement, dated November 1, was

distributed to Western journalists

Early last week e wave of anger greeted the butter rationing deci-

sion and on Thursday the Govern-

called into special session on the is-

village of Byremo, an hour-drive from Kristiansand in the south of Norway. This rural location, as well as being more economic, makes it easier to maintain security, says Mr French industry forecast to

shed 1m jobs By Paul Betts in Paris MPLOYMENT IN French

Industry is expected to decline by 500,000 by 1988, according to a report by the Government statistics institute, Insee, It says industry will shed 86,000 jobs a year over five years. This is an improvement from the 1979-82 rate of 108,000 jobs a year. The latest figures are in line

with other forceasts. With unover 2m. many economic and industrial experts have suggested that 2.5m unemployed would represent a more realistic level in view of excess manning in industry generally.

The Insec report also emphasised the need for industry to make a serious effort to moder-

Orders increase

in W. Germany

FURTHER evidence of the emerged yesterday in figures showing a growth in industrial orders, particularly from orders, abroad.

abroad.

According to preliminary data from the Federal Statistics Office, orders increased by 1 per cent between August and September. Taking the two mentistagether, the rise was 2.5 per cent over June and July, with domestic orders climbing 0.5 per cent and export orders 3.5 per cent and export orders. cent, and export orders 3.5 per

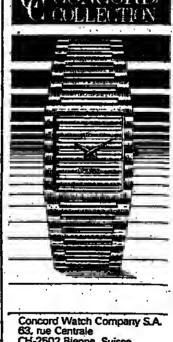
ers have called for "common opposi-tion" to the food prices increases New manufacturing orders, which the Jaruzeiski Government therefore, were 5 per cent higher is to introduce early next year and in volume in the third quarter to last week's reimposition of butter than during the same period of 1982

rationing With inflation running at 28 per cent so far this year, the reaction Attacks on Iran Air

ANTI-KHOMEINI exiles attacked Iran Air offices in five cities yesterday, spray-painting the walls with slogans, ripping down pictures of Iranian leader Ayatollah Ruhollah Khomeini and assaulting an office тападет.

FINANCIAL TIMES. USPS No. 19060. published dilly except Sundays and holdays. U.S. substributes, reserving the control of the c Council of Ministers was sue. As e result, Mr Zygmunt Leko-mice, the minister concerned, was publicly reprimanded.

 E_{V_k}



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HIGH EFFICIENCY

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Hawke wins party support for uranium compromise

BY COLIN CHAPMAN IN SKONEY

MR BOB HAWKE, the Aus sought to step development of training Prime Minister, yester-day comfortably won the support of his Labor parliamentary party for a uranium Meanwhile, the Liberal Party policy that gives the go-ahead opposition, which finds the composition of the A\$1.7bn (£1bn) Olympic promise package potentially still Dam uranium-copper-gold pro-

Nabarlek, also in the Northern Territory, be deferred pending an inquiry into safeguards on waste disposal and into Aus-tralia's role in the non-prolifera-tion of nuclear weapons.

tralia's role in the non-proliferation of nuclear weopons.

The vote on the Cabinetsponsored package, a policy
which had already led to the
resignation of one minister last
week, brought nine MPs back
from trips to Europe, Africa and
the U.S. and represented the
greatest test of the Prime Minister's authority in his eight
months of government.
For Labor's Left, the decision
was the most important defeat The vote on the Cabinet. Olympic Dam goahead but seid sponsored package, a policy which had already led to the resignation of one minister last week, brought nine MPs back from trips to Europe, Africa and the U.S. and represented the greatest test of the Prime Minister's authority in his eight mouths of government.

For Labor's Left, the decision was the most important defeat since the 1960s, when it led its Australia, was last estimated to have reserves containing some opposing Australian involves ment in the Vietnam war.

The Left, which above all lacks an articulate leader.

Olympic Dam goahead but seed that because the decision did not, permit the decision of the could make a loss of more than Astron. Ast

to the A\$1.7bn (£1bm) Olympic Dam uranium-copper-gold project at Roxby Downs in South Australia and two uranium supply contracts for the existing Ranger development in the Northern Territory.

The package, approved by 55 wotes to 46, also provides that no other mines he developed immediately, and that any further contracts at Ranger and Nabarlek, also in the Northern Territory, be deferred pending an inquiry into safeguards on waste disposal and into Abs-

reached.

Reaction by husiness was mixed. The Australian Chamber of Commerce welcomed the Olympic Dam go shead but said.

Teachers have called for oppo-altion to the school levy.

The economic recovery pro-gramme also includes credit terms for all but export industries.

There were demonstrations

that one day they might attain self-determination. Shops in Arab East Jerusalem were closed as a

towns. A curiew was imposed on the Deheisha refugee camp near Bethlehem after one Arab youth was shot in the

Israeli spending curbs approved

By David Lennon In Tel Aviv

THE ISRAELI Cabinet yesterday approved a series of steps designed to balt the deterioration in the economy by cutting public expendi-ture, curbing private con-sumption and encouraging

experts. A series of new levies have been imposed on the public, including a special education levy, a doubling of the travel tax to US\$100, new taxation on children's allowances, and an effective raising of the marginal tax rate to 66 per cent instead of 60 per cent. The ministers also approved

measures designed to curb the benefits paid to civil servants and made it more difficult for those without work to receive unemployment benefits.

Mr Yigal Cohen-Orgad, the Finance Minister, said that he wanted to cut the standard

of living by 7 to 10 per cent while also curbing public expenditure. The goal was to cut the hudget by US\$2bn.

the hudget by US\$2bn.

The belief of tening measures, not all of which were immediately made public, may lead to labour unrest. The civil servants union gave a warning yesterday that its members would not accept any worsening of their terms of employment. Teachers have called for opposition to the school levy.

Bank yesterday.

The Palestinians on the West Bank were clearly upset

result of a sympathy strike by merchants, and there were clashes between Palestinian demonstrators and the Israeli

How Tunisia's Mzali has reinforced his authority

BY FRANCIS GHILLES

Azouz Lasram, the Tunisian ahead, in its annual report pub-Minister of Ecnomic Affairs, has lished last August. considerably reinforced the authority of the country's Prime authority of the country's Prime Minister, M Mohamed Mzzli.

coming less than four months Lower output and prices for after the dismissal of the crude oil, Tunisia's major hard Minister of Finance, M Mancour moalla, has allowed M Mzali to place men who are close to him in three key positions—Planning, Finance and Economics—
and given the Prime Minister
full authority over his Government for the first time since he
came to power three-and-a-half

THE RESIGNATION of M about the lean years which lie

The departure of M Lasram, Economic Development Plan

years ogn.

M Rashid Sfar, the new six months of tha year, commendated for his competence and integrity, while M Ismael Khelil, who took over Planning in June, won his spurs as ambassades. and integrity, while M Ismael Khelil, who took over Planning in June, won his spurs as ambassador to the EEC and Tunisian representative of the World Bank.

M Mzali will need this authority to tackle the severe problems the Tunisian economy faces. The Banque Centrale de Tunisie issued a stern warning

Government to announce a series of measures which includa restricting imports of cettain raw materials and semi-finished goods to 30 per cent of 1982 volumes and hoosting exports.

The Government to announce a series of measures which includar restricting imports of deviation and that of flour sharply increased.

The cost of such subsidles has been growing by an average of 28 per cent a year since 1976. It will reach Dinars 188m this price of bread unchanged for 220 in 1984.

Meanwhile, Tunisia's food urgently needed.
import hill has been growing M Mzali is no economist himand today, accounts for more

This is the result of fast rising consumption, fuelled by generous wage settlements despite a current account since 1981 and the decline in deficit, the result of the strong agricultural output, hy 2 per cent a year during the last plan, and 5 per cent in 1982, despite
a 5 per cent growth target in
the current Development Plan.
Drought conditions in 1982
cannot carry all the hlame as

the agricultural sector has been neglected since 1969. Cutting food subsidies is fraught with danger. The Prime Minister has bought social peace at a high cost but knows he cannot huy time much longer.

Removing M Moalla and M Lasram, who tended to take
a rather independent line, will
ensure greater government
cohesion, hut the austerity
measures the former Minister
EEC protectionism grows, measures the former Minister EEC protectionism grows, of Finance was urging on the Tunisia knows it cannot con-Prime Minister last winter are tinue to live above its means.

self but is an adroit politician. than 10 per cent of all imports. As heir-apparent to an ageing Nearly half tha cereals con-President Bourguiba, he feels

sumed every years has to be obliged to curry favour with the He has been able to count on a balance-of-payments surplus, flow of foreign capital into

Tunisia. The strength of this flow, particularly when it originates in the Middle East, is one of the major contributions of M Moalla's three years in office. Tunisia's credit with inter-national banks also remains

good. The growing network of small textile and mechanical industries, a flourishing phosphoric acid and fertiliser sector, and a well-established network of hotels, are all good cards.

S. African foreign reserves almost halved

BY BERNARD SIMON IN JOHANNESBURG

SOUTH AFRICA'S foreign currency reserves almost halved last month, providing further evidence of the sharp turnaround in the country's economic fortunes in recent weeks.

According to the Reserve Bank, the foreign exchange component of the reserves tumbled from R1.0bn at the end of September to R572m on October 31. The value of the bank's gold holdings rose slightly to R3.2bn mainly as a result of a small upward adjustment in the market-related valuation price.

A Reserva Bank spokesman said the decline was due to unspecified capital outflows. The said outflows. The said the decline was due to unspecified capital outflows. The said the decline was due to unspecified capital outflows. The said the decline was due to unspecified capital outflows. The said the decline was due to unspecified capital outflows. The said the decline was due to unspecified capital outflows. The said the decline was due to unspecified capital outflows. The said the decline was due to unspecified capital outflows. The said the decline was due to unspecified capital outflows. The said the decline was due to unspecified capital outflows. The said the decline was due to unspecified capital outflows. The said the gold price, unexpectedly that the fall in the gold price, unex

A Reserva Bank spokesman second largest banking group, be able to meet the target of tion.

Malaysia in grip of crisis

By Wong Sulong in Kuaiz Lumpus

A CONSTITUTIONAL crisis in Malaysia between Dr Maha-thir the Prime Minister, and the country's nine sultans; has widened following Dr Mahathir's decision to bring the issue into the open.

It began at the rulers' confer-ence last month when the sultans were reported to have agreed unanimously to reject the controversial constitu-tional amendment Bill, which seeks to reduce their royal

powers.

Dr Mahathir retallated by summoning a meeting of the Supreme Council of his ruling United Malays National Organisation, Umno, and orchestrating a campaign in the Covernment controlled. the Government - controlled Press, aimed at trying to push the King, Sultan Ahmad Shah, Into signing the Bill.

The rulers are opposing tha Bill because they fear that once it hecomes law, their future would he in the hands of the Prime Minister. Under the Bill, the power to declare a stata of emergency would be transferred from the King to tha Prime Minister.

Asean ministers postpone of support for PLO chairman Yassir Arafat in various parts of the Israeli-occupied West action against Australia BY KIERAN COOKE IN JAKARTA

FOREIGN ministers of the Asean countries—Indonesia, the Philippines, Malaysia, Thalland and Singapore—said they would postpone any action against Australia until after a visit to Bangkok later this month by Mr. Boh Hawke, the Australian Prime Minister.

Australia angered the members of the Association of The Indonesian Foreign Minister.

Australia angered the members of the Association of Calian action has to be taken South Easet Asean Nations by failing to co-sponsor a resolution at the UN last month into account.

The Minister Dr Mochtar Kusumaatmad Dajia, says sanctions are unlikely although the Australia to be taken because the Indonesian the foreign tion at the UN last month into account.

The Minister Dr Mochtar Kusumaatmad Dajia, says sanctions are unlikely although has to be taken because the Dr Mochtar said the foreign tion at the UN last month into account.

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The Minister Dr Mochtar Kusumaatmad Dajia, says sanctions are unlikely although the Australia Dr Mochtar said the foreign in the Australia did vicinity as a preliminary move, eventually vote in favour of the called for a Vietnamese with the politics of its southern are by the Australia did vicinity and preliminary move, eventually vote in favour of the Called for a Vietnamese with the politics of its southern are by the Australia did vicinity and preliminary move, and the politics of its southern are by the Australia did vicinity and preliminary move, and the politics of its southern are by the Australia did vicinity and the foreign did vicinity and t

by the fighting between the PLO factions in Tripoli, which they felt could only weaken their own position and reduce their faint hopes that

security forces in several

Muzorewa 'on Hope grows for India's industry hunger strike'

A Zimbabwe Government Minister confirmed yesterday that Bishop Abel Muzorewa, the former Prime Minister, is on hunger strike in Goromonzi prison near tha capital. The Minister of State for Security, A Zimbabwe Government Minister confirmed yesterday that Bishop Abel Muzorewa, the former Prime Minister, is on inneger strike in Goromonzi prison near tha capital. The Minister of State for Security, Mr Emmerson Munangagwa, the Bishop would be "force-fed . . . unless it is against his religion,"

BY K. K. SHARMA IN NEW DELHI

AN IMPROVEMENT in India's licences—needed before any industrial production and the major venture can be started in linear that first nine months of 1983 was 792 compared with years, was acknowledged yesterday by Mr N. D. Tiwari, Minister of State for Security, and the Bishop would be "force-fed . . . unless it is against his religion,"

BY K. K. SHARMA IN NEW DELHI

AN IMPROVEMENT in India's licences—needed before any industrial production and the first nine months of 1983 was 792 compared with the same period of last year, Mr Tiwari said.

He was hopeful that, with the continued improvement in agrimitude that industrial production and incomes, against his religion,"

By K. K. SHARMA IN NEW DELHI

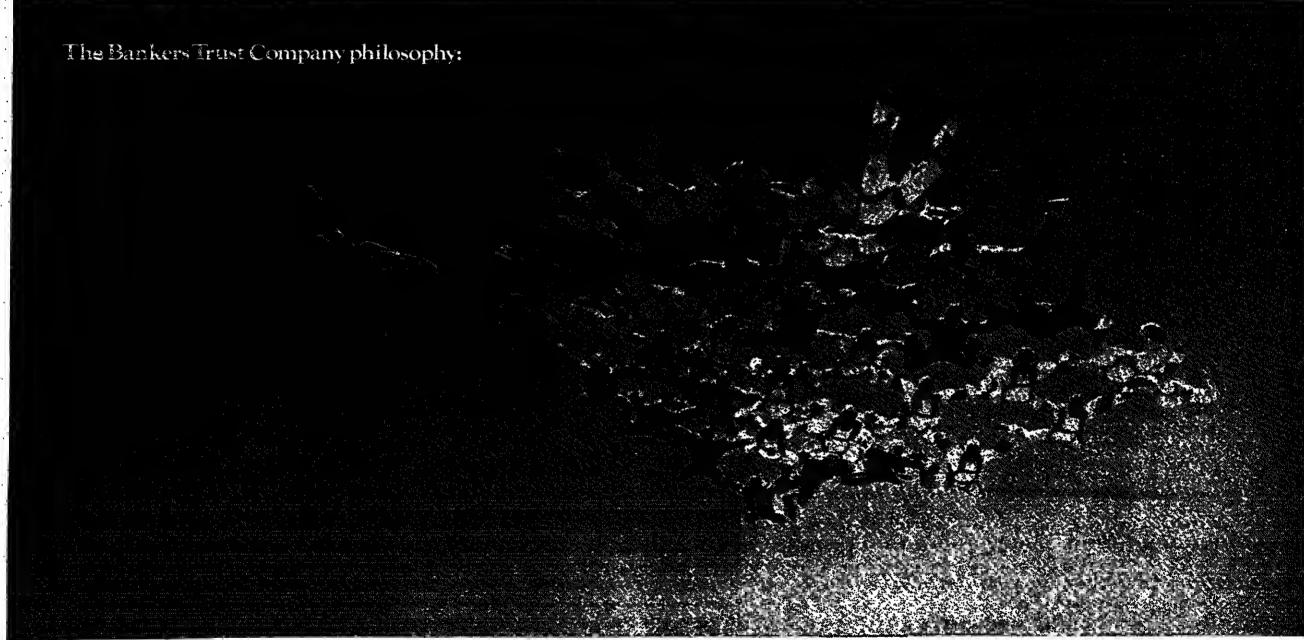
AN IMPROVEMENT in India's licences—needed before any industrial production and the first nine months of 1983 was 792 compared with the same period of last year, Mr Tiwari said.

He was hopeful that, with the continued improvement in agrimitude licences—needed before any industrial growth of 3.5 per cent cultural production and incomes, demand would increase so that it maintained last year's trend during April to June compared during April to June compared with the same period of last year, Mr Tiwari said.

Bishop Muzorewa's son had increased by 3.5 per cent during April to June compared with the same period of last year, Mr Tiwari said.

Be was hopeful that, with the continued improvement in agrimative cultural production and incomes, was not impressive. They said it maintained last year's trend during April to June compared with the same period last year.

By K. K. SHARMA IN NEW DELHI



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stand out in our industry. And the kind of performance which helps make our clients first in theirs.



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Defence key issue during Reagan's Far East visit

PRESIDENT Ronald Reagan invasion of Grenada. to Japan and South Korea in-tended to underline the U.S.'s also want to show he can continuing role as a Pacific power and reaffirm the importance of relations with its two

In both countries, Mr Reagan is planning to emphasise the need for strong defence in tha face of a growing threat from the Soviet Union and for closer trans-Pacific trade and economic collaboration.

The two-day trip to South

Korea at the weekend is likely to he a particularly emotional occasion in the aftermath of the the Korean airliner and last month's Rangoon bomb attack that killed four South Korean Cabinet Ministers and other leading officials.

With vague threats against the visit emanating from North Korea, and the prospect of anti-U.S. protests in Japan, there has been considerable concern Japanese in Washington about Mr ducts Reagan's personal safety. U.S. believes security officials, however, say petitive. they are convinced be can be protected.

Mr Reagan's broad aim is to assert an image as a world technology products, including statesman, at a time when his computers, medical instruments foreign policies have entered a and telecommunication equipperiod of considerable flux ment. tarised following the Beirut hombing Mr Reagan's team, which massed of the U.S. marines and the includes Mr Shultz, will also Koreas.

With the U.S. elections now

Presidential diplomacy.
The talks in Tokyo and Seoul are not intended to lead to the signing of any agreements, Mr of the Japa George Shultz, the State Secretary, said last week. They are of the yen. meant rather to be part of an "important process" in cement-

Senior Administration offi-cials say they hope Mr Reagan and Mr Yasuhiro Nakasone, the Japanese Prime Minister, will be able to say after their meet-ings that relations between the two countries have been greatly strengthened and that a number of trade issues "have been resolved or are nearing a

The main U.S. concern in the trade field continues to be to gain greater access to the Japanese market for U.S. products which Washington believes to be genuinely competitive

mr Reagan's main political aim in South Korea, however, will be to recew the U.S.'s commitment to defend the country, where 39,000 U.S. troops are atationed.

Mr Reagan's main political aim in South Korea, however, will be to recew the U.S.'s commitment to defend the country, where 39,000 U.S. troops are atationed.

Mr Reagan will pay a highly-publicised visit to the demiliton are pulp and paper, petro-chemicals and a range of high

Trudeau may stay on for next election

The decision of Canada's Prime Minister, Mr Pierre Trudesu to make a whirt-wind crusade for peace to European beads of state this week has raised new questions at bome about whether be intends to retire before the next Canadian elections.

Having been universally con-vinced that the domestically unpopular Mr Trudeau would stick to bis word, and resign before the next election, which bas to be beld by early 1985. and is more likely to be called in autumn next year. Canadian political commentators are now bedging their bets.

Trudeau was widely expected to announce bis resignation at a Liberal party fund-raising dinner in Toronto on December 13, irrevently dubbed "the last supper" by Liberal insiders.

That date now looks far too early as, if Mr Trudeau does announce his resignation, his prospect of being a force in international relations would be bound to diminish.

The debate in Canada now is whether Mr Trudeau wants to use the peace initiative to go out in a blaze of glory or whether be intends to use it to

Some Liberals are suggesting that the party is now so low in the polls that it would do better for bim to run and lose than to damage a new leader with

Some are suggesting that perhaps Mr Trudean, 54, who, except for a brief time, has been in power since 1968, is still the only man who could lead them to victory.

The longer Mr Trudeau delays a decision, the more difficult it will be to get the necessary leadership coovention organised in time to give a new leader the opportunity to win popular support, and reverse the fortunes of a Government suffering from blame for nearrecord unemployment.

In his peace initiative, Mr Trudeau has found an issue which has strong domestic appeal. He told the House of Commoos; "As far as I am concerned, no personal enterprise and no prority other than the pursuit of peace is important enough to take up all my time

William Chislett reports on political change in Washington's backyard

Panama poll heralds shift to left

PANAMA, the home of the highly ambitious man, had canal which acts as a funnel for started to form a parallel world trade and also of the government in ministries and

The surprise move recently ministers upon the President. Sr de la Espriella protested and told Gen Manuel Antonio the National Guard, to with draw his presidential candidature for the Ruling Democratic Revolutionary Party (PRD) has altered the country's political way at a problem. tical map at a stroke.

Gen Paredes, a staunch anti-Communist, bad moved Panama much closer to the U.S. after the death in 1981 of the country's strongman. Gen Omar Torrijos. Gen Torrijos, wbom President Reagan once called a "tinborn dictator" belped the left-wing Sandinistas to power in Nicaragua by giving them logistical support. He maintained close relations with Gen Fidel Castro of Cuba and other revolutionaries in the

Gen Paredes, who openly supported Washington's militaristic policy towards Central America, recently said that if he became Presideot he would he became President he would break diplomatic relations with Nicaragua and Cuba. His chancea of becoming President bowever were dashed only two weeks after he resigned from the command of the National Guard, the country's only armed force, to campaign for next May's

largest offshore banking centre the PRD. When President in the Americas, is moving to-wards its first democratic elec-was helped to power by Gen tions in 16 years amid Paredes resbuffled his Cabinet considerable political unin September, Gen Paredes certainty.

> trump card which Gen Noriega had been waiting for. It gave him the opportunity to ease out Gen Paredes on the grounds that be was causing a political crisis. Sr de la Espriella named his new cabinet and Gen Paredes, aware that his power base had dis-appeared, had no option but to

appeared, had no option but to throw in the towel.

Gen Norlega, e Machiavellian figure (for many years be ran the country's intelligence services) is now the real power and kingmaker in Panama, Had Gen Paredes become president the two men would have been vying for power.

Gen Norlega is taking a less



The most likely choice for the PRD's presidential candi-date is Sr Ernesto Perez Balladares, who represents the centre-left wing of the party. He is a former Planning and He is a former Planning and Finance Minister and Secretary-General of the PRD, which was founded in 1979 by the late Gen Torrijos to legitimist his "revolutionary process." Sr Perez Balladeres was one of Gen Torrijos'a choices to be president in 1984 when the general intended to take much more of a back seat. a back seat.

Gen Paredes become president the two men would have been vying for power.

Gen Noriega is taking a less pro-U.S. stance towards Central America. He is hacking the Contadora group of Latin American countries which has worked out a negotiated settlement to end the civil war in El Salvador and ease tension between Honduras and Nicaragua. Gen Paredes fiew in the PRD's disparate and squabbling face of his own government by mixture of Marxists, Social ragua. Can rarenes new in the rather susparate and squabbling ountry's only armed force, to face of his own government by mixture of Marxists, Social undermining the Contadora Democrats and businessmen peace initiative which Panama and of forging electoral alligner Paredes, an abrasive and helped to establish.

The candidature of Sr Peres

purged of Gen Pareder's sup-porters including his uncle Rigoberto, the secretary genera who had almost to be sylcted from his office. The party's left wing, which passionately hated Gen Paredes, now occupies all

the key posts. Washington is keenly watch Washington is keenly watching events in Panama. It is nervons of abrupt political change and instability or a nationalistic backlash against its presence. Apart from the canal, which the U.S. controls until the year 2000, the U.S. Southern Command is also based in Panama. The Command is the U.S. military and intelligence centre for Central America.

It is also the staging post for military recommanders frights over the region and the franshipment of arms to the U.S. backed Government in El Salvador and to right-wing Nitzraguan rebeis in Honduras fighting to overthrow the Sandinista Government in Мападиа.

Negotiations have already started over the future of the School of the Americas, part of the Southern Command, control the Southern Command, control of which passes to Panama next October under the caust treaties. The school provides training for Latin American officers in a region dominated by miltary dictatorships.

If Panama presses for full control of the school, the U.S. would have to consider relocating it. The new base in Hon-duras where Salvadorean troops are currently training is an obvious alternative.

Foreign groups invest more in **New York City**

markedly stepped up their rate of investment in New York City over the last six years, with the influx led by the Japanese, French and British.

According to a survey produced by the New York Chamber of Commerce and Main Hurdman, the accounting and ber of Commerce and Main Hurdman, the accounting and tax group, more than a quarter of all foreign companies in the city began their operations in the last six years, about equal to the number that established

the last six years, about equal to the number that established themselves in the previous 12 years.

Direct foreign investment in the U.S. has been increasing rapidly, rising from \$34.6bn in 1977 to about \$102bn at the end of last year.

U.S. denies Grenada issue has harmed ties with UK

MR KENNETH DAM, U.S. Deputy Secretary of State, yes- potential source of friction

conntries in the wake of the U.S. invasion, told Mrs Thatcher at Chequers yesterday: "Our judgment is that the relation-

The U.S. official said another

want to discuss the yen-dollar

relationship, in which the U.S. believes that an undervalued

competitive edge — largely due to the nature of Japan's capital

market structure.
Washington wants to pursue

past discussions on the opening of the Japanese capital market

and the "internationalisation'

On the defence front, U.S. officials say that Tokyo and Washington are in broad agreement on the overall Japanese

objective of expanding the country's defence role.

But the U.S. continues to believe that Japan could move

faster towards increasing spending, and meeting its new

Trade issues will also be important in South Korea, where U.S. officials say they see "very worrisome signs" in the

way the country manages its

exports, particularly steel, and

sets non-tariff barriers in the

way of inward investment.

Mr Reagan's main political

tarised zone, separating the massed armies of the two

defence objectives.

bave to be faced if Argentina'a buman rights situation improved under its newly-elected civilian

● U.S. nfficials said yesterday they had received reports that many bodies from the October 19 massacre of Grenadian Goverument officials had been taken to a military camp and burned in the days following the killings, Reuter reports from St George's.

Argentine Junta to hand over on Dec. 10

ARGENTINA'S military rulers lowed the previous elections in what more positive progress. will hand over power to the new 1973.

transition so far with none of the political violence which fol-

ally planned.

The earlier transfer, formally announced yesterday by a spokesman for President Reynaldo Bigoone, follows the convincing victory of the Radical localer. naldo Bignone, follows the convincing victory of the Radical leader, Sr Raul Alfonsin in the election on October 30.

The clear majority achieved party leadership was meeting party—once the country's major political force—are there now feelings of deep gloom. The party—once the country's major political force—are there now feelings of deep gloom. The party—once the country's major political force—are there now feelings of deep gloom. The party—once the country's major political force—are there now feelings of deep gloom. The party—once the country's major political force—are there now feelings of deep gloom. The party leadership was meeting party

divided over who should be condemned as scapegoats. Sr Alfonsin has made some-

-Argentina's first civil administration since 1976—is expected to be announced by the middle of this week, opening the way for Sr Alfonsin's formal endorsement as President by the electoral college on November 30 tration since 1976—is expected to be amounced by the middle of this week, opening the way for Sr Alfonsin's formal endorsement as President by the electoral college on November 30.

Barring a last-minute surprise, the Cabinet will be formed almost entirely by close aides of Sr Alfonsin, with the key post of Economy Ministey going to Sr Barnardo Grinspun,

e former director of the Central moving with speed in the forma Bank, who helped negotiate tion of his Cabinet.

Argentina's debts in 1985, Sr Grinspun has already had informal contact with the Argentine Central Bank on

WORLD TRADE NEWS

Britain stands to win China energy deals, says Walker

BY MARK BAKER IN PEKING

BRITAIN STANDS to win con-tracts worth hundreds of millions of pounds to develop China's energy resources, according to Mr Peter Walker, UK Secretary of State for Energy. Mr Walker and China's top

energy industry officials were enthusiastic about securing British technology and expertise in developing offshore oil, coal. gas and nuclear power over the next 10-15 years.

"Britain has a greater

position than any other country in Europe to take advantage of China's massive development plans in these areas. I'm talking about bundreds of millions of pounds in contracts," be said.

pounds in contracts," be said.
During his visit to Peking, Mr
Walker bas met with all
ministers responsible for energy
develoment, and Mr Li Peng,
the Vice-Premier, who was
previously Minister of Power
Industry.

"There is no doubt at all
about their wish to establish a
vigorous and lively relationship
with us in these fields," be said.
He said Mr Li had "clearly
indicated there is a very special
relationship which needs to be
built up between our two

A number of big contracts were under negotiation, includwere under negotiation, including a coal venture with Shell and a deal involving power generation turbines with Rolls-Royce. There were a great many other opportunities, particularly in offshore oil servicing, supply and rescue facilities.

Mr. Walker said the Chinese

Mr Walker said the Chinese were impressed by Britain's North Sea oil operations and keen for British involvement in developing offsbore gas reserves and coal-to-gas conversion projects in several major



Walker: talking about hundreds of millions

memorandum of understanding for Britain's GEC to supply non-nuclear components for a \$6bn power plant in Guangdong provice, near Hong Kong. British Petroleum Development has started its first well in one of its South China Sea

oil contract areas for which it signed with China last May Reuter reports from Peking. This is several weeks later than it previously said it would begin. Oil industry sources said the delay was due to bad weather.

BP is operator of a con-actium including Petrobras Internacional Braspetro with 15 per cent, Broken Hill with 20 per cent and Petro-Canada Exploration and Ranger Oil with 10 per cent each, with BP holding the balance.

S. Koreans to build Libyan pipelines

By Our Foreign Staff

The seven-year project also will include building nearly 900 miles of accessory reads, a Dong Ah official said. Price Brothers of the U.S.

The project will be undertaken, by three group members, Doug Ah Concrete Industrial, Dong Ah Construction Industrial and

The contract will be a big boost to the troubled South competition from construc-tion industries in the Phtlippines, Thailand and

Kuwait air defences THOMSON-CSF, the communi-

cations and defence sub-sidiary of the French nationalised Thomson group, has won a FFr 1.2bn (£100m) order from Kuwait to modernise the oil producing country's air defences, Paul Betts reports from Paris.

The contract, involving among other things the supply of Thomson radar systems, is the largest order to have been secured by the French company this year in this field.

Ian Rodger reports that prospects may improve after seven years of decline

World tractor sales set to stabilise

SALES OF agricultural tractors in the western world are likely to stabilise next year at around 600,000 units, after seven years of decline from the 1976 peak of 840,000 units, according to Mr Jim Felker, president of Massey-Ferguson's farm and

tractor division. tractor division.

M.F is the western world's largest tractor manufacturer.

Mr Felker, speaking in London, said most leading manufacturers, including M.F. were operating their factories at about 65 per cent capacity, and tractor selling prices were being cut by up to 40 per cent. But he saw no prospect of signs.

estimates that western world tractor sales fell 7 per cent decline. A long-term trend about 600,000 units lin 1983.

Sales in Europe, the largest market area, are likely to be delivered. The forecast world down about 5 per cent to 259,000, mainly because of a slump in Italy due to high interest rates. Sales in Italy, normally Europe's second largest market after France, are likely to fall 20 per cent to 34,000 units this year.

Sales in North America are forecast to fall about 5 per cent to 131,000 units because of the effects of drought, low grain prices and the U.S. Government's payment-in-kind pro-

being cut by up to 40 per cent.
But he saw no prospect of signs—
cant rationalisation in the industry in the near future.

"There has been lots of discussion, but we don't see any of the majors getting together. There's too much history and pride involved, and the cost of a once-for-all rationalisation would be astronomical."

M.F. which claims a 15 per cent. But he saw no prospect of signs—
cant rationalisation in the effects of drought, low grain prices and the U.S. Government's payment-in-kind programme for reducing acreage under cultivation.

Sales elsewhere in the western world are likely to decline pride involved, and the cost of a conce-for-all rationalisation before buying new tractors, as would growing uncertainty about the future of the European Community's common agricultural policy (CAP).

M.F. which claims a 15 per cent. Felker said high interest rates in the U.S., British, French and the U.S. Government's payment-in-kind programme for reducing acreage under cultivation.

Sales elsewhere in the western world are likely to decline from 231,000 units last year to once-for-all rationalisation and the U.S. Government's payment-in-kind programme for reducing acreage under cultivation.

Sales elsewhere in the western world are likely to decline form 231,000 units last year to once-for-all rational historical rate of discounting was about 20 per cent, for tractors, "We are planning on a no-time to on the outlook for 1984, Mr Felker said high interest rates in the U.S., British, France and Italy would make farmers pause of two tractors, as will continue, although it will probably not get worse."

*Includes David Counting to tractors as will continue, of capacity and discounting before buying new tractors, as will continue, although it will probably not get worse."

*Includes David Counting to the interest rates in the U.S., British, France and Italy would make farmers pause of the end with which to pay for tractors as will continue, to find the U.S. Government's payment-in-kind proversity and discounting t

LEADING AGRICULTURAL: TRACTOR MANUFACTURERS 73,808 (U.S.) 62,000 Deutz (West Gen 25,000 21,000 J. I. Case (U.S.)* Fendt (West Germany) Volvo/Valmet (Sweden/

71,000 * Includes David Brown of Britain Note: This table excludes Kubots and other Japanese manufacturers Their production is smally of small tractors (under 50 hp) mainly for sale in Japan.

Remault (France)

14,000

BRITISH COMMERCIAL WEEK IN PADUA

Why Britain has a poor image in Italy

the start of a British Com-mercial Week in Padua, a fiveday exercise designed to boost British penetration of the Italian market

But not even his enthusiasm

can change overnight what British officials admit is a lack-lustre export performance to the Italian market. In the first eight months of this year, the UK market share of Italian imports bas ben running at a level

Even the Soviet Union has a Among other problems are larger share of the Italian fears of non-payment or slow market, although natural gas payment (which do not seem to ottawa has made prelimioary commitment to invest up to C3500m in the Aerospatiale-led A-320 Airbus 150-seater project once this gets off the ground. Canada in turn would receive component manufacturing orders.

muttered about "companies market, although natural gas sales account for much of this. British exports to Italy, which last year had a value of £2bn, are well below Italian exports.

British exports to Italy, which last year had a value of £2bn, are well below Italian exports staff and Italian marketing and, according to one veteran dampen the enthusiasm of Lord Bridges, the UK Ambassador to Italy, who yesterday morning orders.

In the first eight morte aux worry the French or Germans the less prosperous south.

The result it appears, is 2 commitment in terms of British according to one veteran dampen the enthusiasm of Lord family, who yesterday morning to the lack of a proper or Spain. It is, in fact, the appreciation of Italian business methods.

Britain's single biggest export to Italy is petroleum and related products, which at £252m for the first eight months of this year, represents seven times the value of Italian exports of petroleum to the UK. But when it comes to textiles Italy sells four times what it buys from the UK. Even in from and steel Italy sells more to Britain than it purchases.

than it purchas

In a recent study of British exports to Italy, Mr Burgess Watson, Consul-General in Milan, wrote that "the image of Italy in the UK has been of of less than 4 per cent, compared with German sales to Italy, which are nearly 16 per cent and French sales of just under 13 per cent.

of Italy in the UK has been of a country torn by strikes, high inflation and political disorders: not the sort of country where British exports are likely to do well."

between Dunlop and Pirelli
which ended in 1981 never
progressed beyond joint share
holding and left both partials
disappointed.

Nevertheless, there are UK
auccess stories, such as int
activities of ICI and Glaro, and
London merchant banks. Fully

London merchant banks. Fully one-third of the Italian beverage imports are accounted for by the UR, largely because of Whisky sales. Critics of the less successful of the 300 British companies involved in selling to Italy say insufficient time is taken to learn the cultural and business

habits, to distinguish among regions in the prosperous and more efficient Italian north and

Taiwan-U.S. trade talks

An official of the council said first nine months of this year. Chao Yao-Tung the Economics up from over \$3bn in the same Minister, HSU Li-teh, the 1982 period. Finance Minister and K. H. Yu, Reuter

TAIPEI - Taiwan will send the governor of the Central more than 280 businessmen to a Bank, will also attend the meet three-day trade conference with ing from November 28 to 30. more than 500 U.S. counterparts in Phoenix. Arizona, according to the Taiwan-U.S. Economic Taiwan's trade surplus with the U.S. was close to \$4.87bn in the

SOUTH KOREA'S Dong Ah business group has won a \$3.50n contract to construct two pipelines in Libya. The pipelines will have a com-bined length of 1,200 miles and will be made of pre-stressed concrete

The pipelines will be used to carry water for industrial and agricultural use and will connect Tazerbo in the Libyan desert and Bengari on the Mediterranean coast and Sarir, also in the interior, and

also will provide technical help in producing special con-crete cylinder pipes, Dong Ah

Korea Express. Work is expected to start later this

Korean construction industry, which last year suffered a 4 per cent fall in overseas contracts from the previous year. Most Korean construction business is concentrated in business is concentrated in the Middle East, and is dominated by the Hyundai Engineering and Construction Company. But Korean business has given way to

Thomson to update

make helicopter

Governments are expected to put up about C\$35m (\$28m) towards the C\$80m initial input up about C\$35m (\$28m)
towards the C\$30m initial investment required.

Meanwhile Ottawa and Bell
Helicopters, a division of
Textron of Fort Worth, Texas,
announced a seven-year
C\$514m project to build new
lines of Bell light belicopters

the \$12m in the British commercial staff in Milan, the news of the Schweppes withdrawal could bardly bave come as worse time. Word of the limminent de-Schwepping of litaly leaked out just days before the start of a British Com-

W. Germans to

MESSERSCHMITT - Bolkow
Blohm of West Germany will
produce a belicopter rotor
system and a new version of
its twin turbine B-105 belicopter at the Fleet Lodustries
plant at Fort Eric, Outario.

The MRB belicopter is a military model and can be used
for coast guard work. The
federal and Ontario provincial
Governments are expected to
put up about Case.

BY ALAN FRIEDMAN IN ROME

THE "SCHCHCH" went out
opened the British Commercial
Week amid the 16th century
week amid the 16th century
the desired about how
been and an overall trade deficit.
Britain's single biggest export
to flaly is petroleum and
to the 1970s was never used
because planning permission
was later refused by the local
for coast guard work. The
federal and Ontario provincial
Governments are expected to
put up about Case.

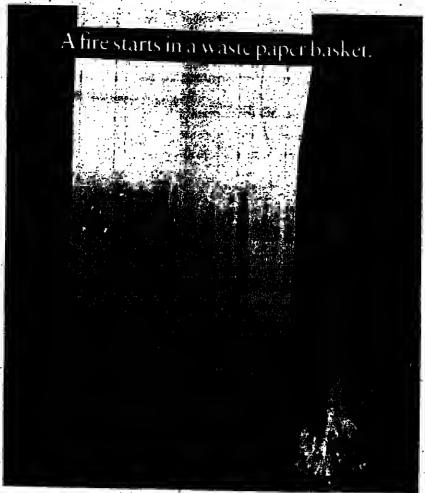
Britain's single biggest export
to flaly is petroleum and
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was later refused by the local
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federal and Ontario provincial
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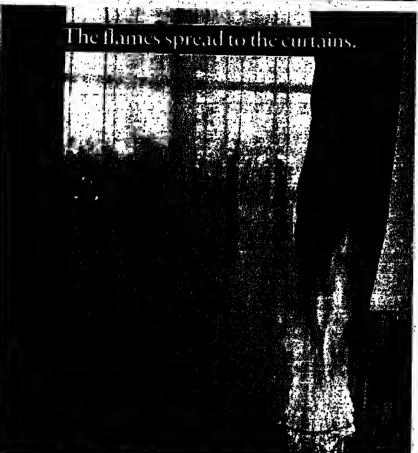
Britain's single biggest export
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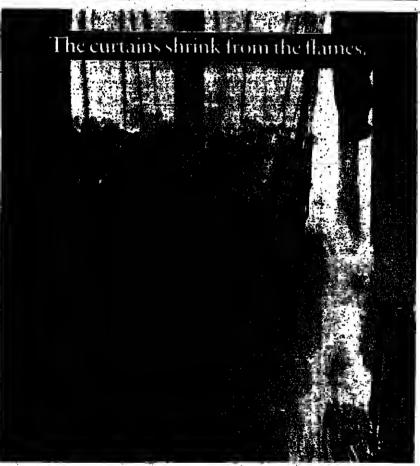
announced a seven-year CS514m project to build new lines of Bell light belicopters near Montreal for the joternational market. The federal Government preferred this project to another proposed by Aerospatiale of Fraoce, a major exporter of belication. by Aerospatiale of Fraoce, a One diplomat, disheartened major exporter of belicopiers by the Schweppes pull-out, muttered about "companies

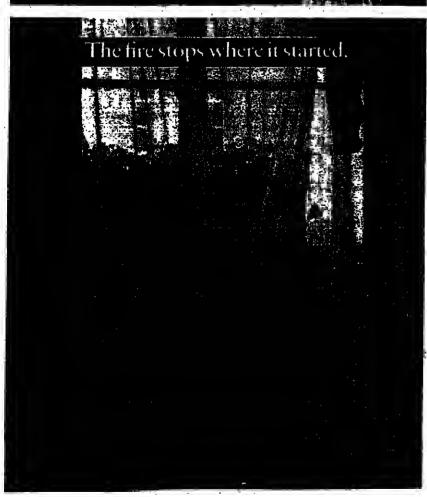












You'll be better off buying curtains that shrink.

Before you shrink from the idea, look at our demonstration on the left.

The curtains in question are made at risk. from Trevira CS flame retardant, a new Hoechst fibre

(C for comfort and S for safety).

Put a flame to it and it merely shrinks away.

Thus stopping the fire in its tracks before it can get a hold.

Hopefully you'll never have to put it designers. to the test.

But it could be some of the best fire insurance you'll ever buy.

Making our principle stick.

Our treatment is not just applied to the fabric but permanently engineered into the fibre.

So it won't fade or come out in the research. wash.

Not surprisingly, Trevira CS flame retardant fibres are now being specified by architects and interior designers around the world.

For schools, hospitals, hotels, old people's homes and wherever life is most

And being Hoechst, we're constantly investigating new applications.

Exciting the imagination of the world's designers.

For years Trevira has excited the imagination of the world's top fashion

Now our Trevira CS flame retardant fibre is doing the same for designers of contract furnishings.

Curtains, wall coverings, bedding and upholstery are all being made from our latest creation.

Developing its flame retardant properties took us many years of intensive

But think what fire can do in a matter of seconds.

We're spending £1 million a day on a better tomorrow.





Wrexhan In a position to supply the answers.

M6. Just one. The maximum. The Romans. £36,000. An international airport. £100 million. Kelloggs.

These are the questions about Wrexham. We'll be happy to answer the many others you'll have.

- Which major motorway is just 30 minutes drive away? How many coal mines are there?
- How much Financial Assistance could I receive? Who first developed the area?
- What is the average price of a 3 bedroomed detached executive home?
- What is to be found just 35 miles NE?
- How much have our expanding companies invested in the Borough?
- Name one international company that moved to-
- Wrexham?

I would like to know a lot more about

Wreyham, Britain's most central SPECIAL DEVELOPMENT AREA.

APPOINTMENTS

Promotions at Samuel Montagu

Samuel Montagn Leasing Services Miss Price Mr Spence, Mr Terry and Mr Weelley are assistant directors in the bank-ing and finance division of muel Montagu and Company.

Mr John D. Bence has been eppelmed managing directer and chief executive officer of the newly-formed Watford-based newly-formed Watford-based joint venture company Mac-Millan Smurfit SCA, which will trade as UK CORRUGATED. Other appointments are: Mr R. L. Buck, director of finance and planning; Mr P. S. Betterick, company secretary: Mr J. Tretwan, director of personnel and edministratien; Mr A. McLutosh, director of employee relations; Mr J. A. Breeden, national sales director; and Mr D. G. Johnson, Mr J. A. Breeden, national sales director; and Mr D. G. Johnson, director ef marketing. The company has been fermed by the merger of the UK corrugated case plants of MacMillan Bloedel of Canada, The Jefferson Smurfit Group of Ireland and Svenska Cellulosa Aktiebolaget SCA of Sweden.

SAMUEL MONTAGU INTER NATIONAL, has been appointed NATIONAL has appointed the following as directors: Mr dichael Spence, Mr Peter Terry, Mr Brian Weelley. Mr Cole is managing director of ditch is stepping aside to become

Mr John Horam, former Government Minister and econemic spokesman for the SDP, has rejoined the company econemic spokesman for the SDP, has rejoined the company he helped to feund—COMMODITIES RESEARCH .UNIT—es managing director. Mr Robert Perlman, the present managing director, becomes chairman, and Sir Sigmund Sternberg becomes chairman of CRU Heldings and continues as e director of CRU. Mr Horam was a non-executive director.

Mr Stephen Gibbs has been eppointed deputy chairman of the CHARLES BARKER GROUP. He toined Charles Barker in 1962, became a group bolding board director in the same year and was chief executive of Charles Barker City from 1963 to 1974. He is also chairman of Charles Barker Scotland.

Svenska Cellulosa Aktiebolaget
SCA of Sweden.

* Mr John Mayfield has been
appointed finance director of the
BRITISH RAIL PROPERTY
director of AIDCOM INTERBOARD. He succeeds Mr W. J.

A. Harris, who has moved to British Railways Board head-quarters as a member of a team advising on railway administra-tion. Mr Mayfield was chief internal auditor at BRB head-quarters

Mr Seeph Larkin will take over the duties of managing director of PVILL LINES from Mr George Heliwey, currently acting as both chairman and managing director. Mr Larkin joined Beil in 1966 as group engineer, becoming assistant operations manager in 1972 and operations manager in 1975.

Mr David Changer has been Mr David Changer has been appointed managing director of HOLLAND AUTOMATION INTERNATIONAL (UK). He jetus from Advanced Digital Office Systems, where he was a founding director in 1980, and subsequently its managing director.

Miss Clare Mulholland has been appointed deputy director of television at the INDEPENDENT BROADCASTING AUTHORITY. Mr David Gleacross, ber predecessor, became director of television last month. director of television last monu.
Since the autumn of last year,
Miss Mulholland has been a chief
assistant in the IBA's television
division with particular responsibility fer supervising Independent Television's output of
drama and acquired fiction.

The STERLING ARMAMENT GROUP has been acquired by Anglo-Canadian family interests represented by Mr Giles Whittome who has become chairman and managing director. He is a

well-known maker of luctry sporting gams. Mr C. R. Chandless has joined the board. He was a leading member of the British Sporting Rifle Club before moving to Canada. Mr Patrick Giles has also joined the board. He is chairman of Lesney Industries. Mr J. S. M. Edmiston, Mr W. A. C. Edmiston, Mr S. H. Edmiston, and Mr C. J. Calvert have resigned from the boards of Sterling and its subboards of Sterling and its sub.

Mr D. A. Richards has been appointed financial director of J. H. FENNER (HOLDINGS). Mr Charles H. Dickinsen has been appointed director of sales at McCORQUODALE MACHINE

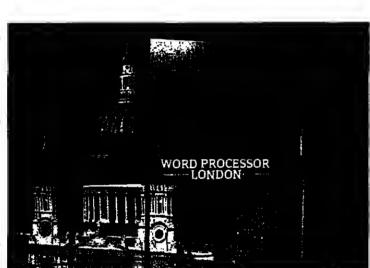
Mr Ian Grant, formerly a director of Jardine Matheson, Hong Kong, and now a director of the Royal Bank of Scotland of the Royal Bank of Scotland, Japan Asset Trust, First Charlotte Assets and managing director of Clemmoriston Estates, has been appointed to the board of LORNE EXPLORATION an oil and gas trivestment company, managed by Noble and Co. Edinburgh. At the same time in Lain Noble has resigned from the board to concentrate on the management of Lorne in his capacity as chairman of the managers.

Mr Tony Patterson has been appointed sales director of SOFT. WARE SCIENCES' systems division, largest of four operating divisions. He joined two years ago as sales director with responsibility for defence systems. The company is part of Thorn EMI.

N their various ways the L telex machine, the computer, the computer terminal and the word processor are probably all contributing to the

efficiency of your company. Of course each machine has its limitations, but that's quite normal.

But just suppose for a moment that those limitations



information from one place to another

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Hong Kong office before returning to its normal tasks.

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your company were given that flexibility. Does it sound impossible?



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Compa	ny	Address
		BEELINE FROM CASE
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CONTRACTS

Wimpey wins £9m work

totalling nearly £9m. The largest worth £6.4m, is for a white cement plant at Ras Al Khaimah in the United Arab largest, worth 56.4m, is for a white cement plant at Ras Al Khaimah in the United Arab Emirates. Wimpey's associated Company, Al Wimpey Civil Engineering Ras Al Khaimah, was awarded the contract by Hitachi Zosen Corporation. Work on the plant, which will be able to produce 300,000 tonnes of cement annually, is scheduled for completion in early 1985. The Manchester office of Wimpey Construction UK has been awarded a 5904,000 contract by the North-West Regional Hospital Anthority for extensions to Fairfield Hospital in Bury, Lancashire. A film contract has been placed by the Trent Regional Heakin Anthority with the Nottingham office for erection of a three-storey block at Nottingham City Hospital Mortnary. Lastiy, 25 part of the Goven rehabilitation scheme, the Glasgow office is to convert 42 flats into 31 in Shaw A film construct has been placed by the Trent Regional Health Authority with the Nottingham office for erection of a three-storey block at Nottingham City Hospital Mortnary. Lastly, as part of the Govan rehabilitation scheme, the Glasgow office is to Street, Govan, under a £556,000

HARRIS CORP's government satellite communications division in Melbourne, Florida, has been awarded a \$5.7m (£3.8m) contract by the Neval Electronics Systems Command for production of 30 modems for the U.S. Nevy's surveillance towed array sensor (Surtass). The Harris digital data modem, which will the interface link in the ship-to-satellite-to-shore communications hook-up. The Surtass array will be towed behind a ship to record under-water acoustic data.

SIR ROBERT McALPINE AND SONS has started work on e £1.3m contract for British Aerospace to build a satellite assembly, integration and test facility at its space and communications division at Stevenage, Hertfordshire. The single-storey building, due for completion next May, is being constructed to the high specification demanded by the space programme. The comtamination level of the air within the assembly area clean room will meet the federal standard 209B class 100,000. All entry to the meet the federal standard 209B class 100,000. All entry to the clean room area for personnel and goods will be via specially designed airlocks. Construction is of structural steel with Alucobond aluminium cladding on the external walls.

EXCLUSIVE CLEANSING SERVICES, e subsidiary of Brengreen Holdings, has been awarded a contract for refuse collection services by Tamworth Borough Council. The contract,

WIMPEY has won contracts which commences in January, is werth £1.3m over its five-year

Five contracts worth over £3m have had been won by the Leeds office of HADEN YOUNG. Work includes an order for a boiler house for the National Coal Board at Sharkston Colliery, near Wakefield, design and installation of air conditioning, mechanical and electrical services for the Harrogate International Hotel and an air conditioning system for Royal Exchange House, Leeds. Haden Young is mechanical services designer for the Kirkstall Road Sports Centre in Leeds, and will handle mechanical services work at British Telecom's training college in Harrogate.

METROFLEX * (UK) received an order worth NKr 1.8m (£163,000) for gas-tight isolation valves. These are for installation in the waste beat recovery system of the North Sea Guilfaks A platform being built for the Norwegian oil com-pany Statoil. Delivery is to be completed by March 1984.

A £4.5m contract to build and A 22-3m contract to units and equip a flour mill for Tempo Mills of Onitsha, Anambra State, Nigeria, has been won by HENRY SIMON of Stockport, e Simon Engineering company: The mill, to be situated on an undeveloped site at Humanya near Onitsha. site at Umunya, near Onisha, is designed to handle 400 tonnes of wheat each 24 hours. Henry Simen will construct the buildings and handle the design, ings and handle the design, supply, installetion and commissioning of the milling equipment; provision of HV and HV electrical distribution systems, 2,000 kVA standby generators and all electrical plant control and services and an 8,000-tonnes grain storage facility.

BASE LENDING RATES Heritable & Gen. Trust 9 %

Arbuthnot Latham
Armeo Trust Ltd.
Associates Cap. Corp.
Banco de Bilbao
Bank Hapoalim BM
BCCI Scale of Freigna Barclays Bank 9
Beneficial Trust Ltd. 16
Bremar Holdings Ltd. 9
Brit. Bank of Mid. East 9
Brown Shipley 9
CL Bank Nederland 9
Canada Perm't Trust 10 Castle Court Trust Ltd. Cayxer Ltd. Charterhouse Japhet 9 %
Choulartons 101%
Citibank Savings 1104%
Clydesdale Bank 9 %
C. E. Coates 91%
Comm. Bk. ef N. East 9 %
Consolidated Credits 9 %
Co-operative Bank 9 %
The Cyprus Popular Bk 9 %
Dunbar & Co. Ltd. 9 %
E. T. Trust 9 %

Robert Fraser Grindlays Bank Guinness Mahon

Heritable & Gen. Trust
Hill Samuel
C. Hoare & Co.
Hongkong & Shanghai
Kingsnorth Trust Ltd.
Knowsley & Co. Ltd.
Lloyds Bank
Mallinhall Limited
Edward Manson & Co.
Meghraj and Sons Ltd.
Midland Bank
Morgan Grenfell
National Bk. of Knwait
National Bk. of Knwait
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R. Raphael & Sons
P. S. Refson & Co.
Roxburghe Guarantee
Royal Trust Co. Canada
Standard Chartered
Trade Dev. Bank Trade Dev. Bank ... TCB Trustee Savings Bank United Bank of Kuwsit United Mirrahi Bank Volkskas Intnl. Ltd. Westpac Banking Corp.
Whiteaway Laidlaw
Williams & Glyn's
Wintrust Sees. Ltd.
Yorkshire Bank

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57%. £50,000 and over 72%.
21-day deposits £1,000 and over £
21-day deposits £1,000 and over £
4 Montgegs base rate.

**Montgegs base rate. Duncan Lawrie
E. T. Trust
Exeter Trust Ltd. 10 %
First Nat. Fin. Corp. 11 %
First Nat. Secs. Ltd. 10 %



IMPORTANT MESSAGE TO ALL

GULFOIL CORPORATION SHAREHOLDERS!

Dear Fellow Gulf Shareholder:

It is now evident that T. Boone Pickens of Mesa Petroleum intends to engage in a proxy contest in an attempt to defeat the proposal strongly recommended by your Board of Directors to restructure Gulf Oil Corporation as a holding company. We firmly believe that this move by the Mesa group is not in the best interests of Gulf shareholders and should be rejected.

In fact:

- Pickens, in a television interview discussing the Mesa group's investment in your company, said: "I just work for one crowd; that's the Mesa stockholder."*
- The Mesa group, as recently as three months ago, did not own a single share of Gulf stock; more than half of the stock that they presently own is represented by borrowed funds.

The activities by the Mesa group against Gulf are disruptive and, if successful, will interfere with the important restructuring program now underway at your company.

We caution you not to sign any opposition proxy and urge your support **FOR** the reorganization proposal at the Special Meeting of Shareholders scheduled for Friday, December 2, 1983.

Important additional information is being prepared and will be sent to you at the earliest practicable time. Meanwhile, we remind you of the significance of our planned reorganization to the development of Gulf's opportunities and to the goal of maximizing value for our shareholders.

Please take the time to express your support of the proposal by signing, dating and malling the WHITE management proxy.

Thank You.

On Behalf of the Board of Directors

Sincerely,

Chairman of the Board and Chief Executive Officer

November 4, 1983

*Interview of October 19, 1983 on Cable News Network program *Money Line*.

If you have any questions or need assistance in voting your shares you are encouraged to call D. F. King & Co., Inc. at (212) 269-5550 in New York, (312) 236-5881 In Chicago, or (415) 788-1119 in San Francisco or Georgeson & Co. at (212) 440-9800. Please call collect. Gulf has also established the following toll free numbers (800) 255-4853 and for Pennsylvania residents only (800) 222-2152.

The Government is, however ex-

pected to link those concessions ex-

plicity to Mercury's progress in ex-

panding its network in the next few

years and to make clear that other

carriers may be licensed if the con-

sortium slows down its rate of in-

ry will be free to compete to obtain

the largest possible share of the

Sir George Jefferson, chairman

of British Telecom, yesterday strongly supported the Govern-ment's plan to privatise the public

telecommunications network. He

called on his workforce to "go for-

Speaking at the Confederation of

British Industry conference in Glas-

gow, Sir George said that BT saw

privatisation as the best opportuni-

ty for success in the coming years.

Too often in the past as a nationa-

lised industry, 'public service' has

meant rationing our long-suffering

customers to what we have been

able or willing to provide out of a

He said: "Regrettably, our unions,

instead of recognising the opportu-

nities presented to us, are con-

cerned to defend the status quo.

Preserving the past would result in BT being left with an ever-

shrinking boundary of opportunity

- the dregs of our business that our

ward in confidence."

limited public purse

ceiling on revenues,

BARCLAYS Merchant Bank is preterconnect with BT's network and paring to dispose of its 26 per cent shareholding in Mercury Communito resell capacity on transmission services that rely on access to BTs circuits. It will also give assurances that no other carrier will be lications, the privately financed con-sortium that intends to compete with British Telecom (BT) in busicensed to compete with BT and Mercury for a specified number of

The bank is expected to withdraw from the project next year. It is not yet clear whether its stake will be taken up by the two other Mercury partners, Cable and Wireless and British Petroleum, each of which has a 40 per cent interest, or will be offered to outside investors.

The consortium and its owners emphasised yesterday that Bar-clays had never intended to remain a partner indefinitely. It has set a £35m, ceiling on its investment in Mercury, which has so far received total financial commitments from its owners of just over £100m.

The confirmation that Barclays Merchant Bank plans to withdraw comes as Mercury awaits the out come of its appeal against the High Court's refusal to order the Post Office Engineering Union (POEU) to end its industrial action against the consortium. The union has taken its action as part of its campaign against the Government's proposed privatisation of BT.

Whichever way the court ruling goes, the consortium and its backers are expected to increase pressure on the Government to take further steps to improve Mercury's chances of competing successfully against British Telecom.

They are expected to argue that, in addition to the impact of the PO-EU's industrial action, the commercial prospects for Mercury are clouded by uncertainties about how BT will be regulated after it is priv-

Indeed, there have been signs recently that BP, is growing nervous about making any substantial fur-ther investments in Mercury until it receives fresh assurances from the Government about the future development of its telecommunicatious

The consortium's immediate hopes are pinned to a statement clarifying the Government's policy on competition in telecommunications, which is due to be published

The statement is expected to give competitors do not want.

P&O and Schroder Wagg part company

By Ray Maughan

MR JEFFREY STERLING, chairman of Peninsular & Oriental Steam Navigation (P&O), has changed the shipping group's mer-chant banking advisers as it prepares to face the threat of a new takeover bid from Trafalgar House.

J. Henry Schroder Wagg was told at a meeting with Mr Sterling early yesterday morning that Morgan Grenfell would be acting for P&O. From mid-morning onwards, a team of Morgan Grenfell directors and supporting staff were en-scenced in P&O's City of London

Mr Blaise Hardman, a director of Last night, Mr John Butcher, In-dustry Minister, told the House of Morgan Grenfell, aiready sits on the P&O board in a non-executive nons that the Government capacity, but the bank's advice will be given by Mr Christopher Reeve, would impose no restrictions on Mercury's revenue. He said the lichief executive of corporate ficence granted to Mercury in Februnance, and Mr George Magan.

ary 1982 bad imposed a temporary Mr Magan handled the bank's supervision of the £660m bid by BTR "It has long been recognised that Mercury would need a new licence for Thomas Tilling early this sum-mer and now acts for Allianz, the as soon as the Telecommunications West German insurance group, which is considering a counter-bid for Eagle Star in the face of the Bill becomes law," he said. "The new licence, which will be similar to the licence to be granted to British £800m offer from BAT Industries Telecom, will impose no restrictions the tobacco group. on Mercury's revenues and Mercu-

At the time, the BTR offer for Tilling was the largest bid - in mon-ey terms - ever mounted on the London Stock Exchange. Tilling's first action on hearing of BTR's proposals was to replace its long-standing adviser, Schroder, with S.G.

Schroder also lost the British Scgar Corporation account to N. M. Rothschild during its unsuccessful defence against S. & W. Berisford, the commodity trader. Schroder, as it explained at the time, had become a large equity holder in British Sugar and resigned the account to resolve any conflict of interests.

The bank took a stake of 1m P&O shares as Trafalgar House mounted its original £290m bld for the ship ping group last May. The holding was eventually sold on to Mr Ster ling's property and industrial holding company, Sterling Guarantee last month

Sterling Guarantee has used a variety of merchant banks in the past, but has never called upon cies and had neglected industrial Morgan Grenfell for any specific

CBI delegates concerned at government strategy

Employers urge 'flexible policies' to win growth

BY OUR LABOUR STAFF

CONCERN that the recovery in the UK economy might falter dominated the first day yesterday of the annual conference of the employers' organisation, the Confederation of British Industry (CBI).

Delegates clearly felt that the Conservative Government's monetary policies were restricting growth and they gave broad sup-port to Sir Terence Beckett, the CSI director general, when he argued that the CBI should "establish sustained growth as well as low inflation as joint objectives." Growth and inflation, he added, "don't have to go hand in hand."
The CBI will urge the Govern-

ment to give the strategy of steady growth parity with its anti-infla-tionary policy. Sir Terence and his of next year. We and the Governthe ground for this in talks with avoid that." ministers, but the overwhelming harder line.

ic direction and urged the British

The resolution was passed by 161

votes to 159, with the substantial

said: "We don't want a framework of

planning, we want the establish-

ment of a better climate for busi-

The majority of delegates consid-

ered that the EEC had concentrated

too much on welfare and social poli-

priorities with a loss of market share within world trade.

strategy for industry.

Beckett: "Economy might

colleagues have already prepared ment must do everything we can to

The Government, he said, could vote of the conference for "flexible not sit back and wait for recovery to policies" to ensure sustained come about. The Government must growth will now dictate a rather distinguish between current spendharder line.

Sir Terence told the conference, more money into stimulating the in Glasgow, Scotland, that things economy. He suggested more public were getting better slowly, but the recovery was patchy. There is a which, he said, "is increasingly possibility that the economy might shabby and expensive to operate run out of steam in the second half in." More money should be spent on

Dr James McFarlane, director

recting its resources. We believe

that it should curb its zeal to reform

The conference endorsed the CBI

upport any move towards Britain

joining the European Monetary

System (EMS).

council's decision last month not to

of British Industry (CBI) confer- action on non-tariff barriers, less

ence were divided over a resolution state aid and the opening-up of

which deplored the European Eco-contracts at the European level to

nomic Community's lack of econom-create a genuinely free trade area.

Government to take the lead in developing a "coherent community strategy for industry." general of the Engineering Employers' Federation, said: "We believe the European Commission is misdi-

"strategy for industry." Dissenting delegates agreed with Mr Ronald Concentrate much more on making Howard, chairman of Phicom, who

mads, railways and sewerage sy:

Sir Terence continued: "We need to examine the obstacles to more business and prosperity. Very high on my list would be the excessive share of our national resources that go to the state, into spending not creating wealth. If we are to make progress in pushing back the fron-tiers of the state, it will have to be done early in this Parliament. It will be too difficult later on. The Government needs our support on this to cope with some of the neces sarily unpopular consequences.*

Lower taxes and lower costs were needed, he said. If the Chancellor of the Exchequer were able to reduce interest rates, this would do more than anything else to improve busi-ness confidence and increase the tum of investment.

Although the public sector borrowing requirement was now at a lower percentage than in any other major industrial country, be said, interest rates paid by business in the UK were nearly 40 per cent higher than in West Germany and more than 80 per cent higher than

EEC strategy causes division

could have a very great cost to us,"

Mr Durham, chairman of the CBI's economic and financial policy committee, said that for 10 years or so trading and business decisions had been made more difficult by the volatility of exchange rates.

In many European countries, he said, domestic policies with commitments to full employment, welfare and costly defence expenditure had led either to high inflation or to high interest rates. Governments must be persuaded to adopt policies which did not harm their trading The conference unanimously con

demned the system of unitary taxa-Mr Kenneth Durham, chairman tion, increasingly common at state of Unilever, said there was no evilevel in the U.S., by which multinadence that the EMS had brought tional companies are taxed on their about any longer-term financial sta- worldwide profits.

Inflation pressures ease as producer price rises stabilise

PRICES CHARGED by manufac-0.5 per cent in October, indicating that there is no strong milationary pressure on output prices waiting to feed through into retail price infla-

A large upward revision of the re-tail sales figures for September indicates that the consumer spending recovery is still full of steam after more than a year, with the retail sales index now standing at a re-

Official figures published yester-day show that the index for the home sales of manufactured products rose 0.5 per cent to 126.3 (1980-108) in October after a 0.5 per cent rise in September.
The index increased by 5.5 per

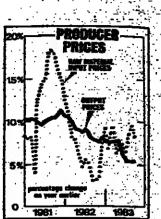
cent in the year to October, com-pared with 5.4 per cent in the 12 months to September. The 12-monthly rises have been between 5.1 per cent and 6 per cent in each month since January.

Producer output prices tend to be reliable early guide to future retail price movements and the relative stability throughout this year has contributed to the reduction of the amoual rate of increase of retail price inflation.

The fact that the stability appears to be continuing reinforces the claim by Mr Nigel Lawson, Chancellor of the Exchequer last month that the rate of inflation was likely to fall further rather than rise, as predicted by many forecast-

The figures also confirm the picture from recent Confederation of British Industry surveys of indus-trial opinion, in which the balance of companies expecting to increase their domestic selling prices has been at historically low levels.

A much less satisfactory guide to price pressures within British inlustry is the index for producer input prices which measures changes in the costs of fuel and raw materials. It is exceptionally sensitive to petroleum price changes and has • New credit totalling £889m was moved erratically on a monthly hesis all year, according to the strength or weakness of steeling of 1983 the average amount adagainst the dollar, in which oil vanced in credit each mouth was 3. prices are set.



1.4 per cent rise in September. The nge in the index was 8.1 per cent in the 12 months to October, compared with 9.5 per cent in the year

The greater part of the Septem ber increase was caused by higher prices for food materials. Nearly a third of the increase in the output prices was similarly caused by higher prices for food products as was the case in September when meat prices, in particular, rose

sharply.

The large revision in the Septemher retail sales index, changed from a provisional 116 to a final 1173 (1978-100) was put down by the Trade and Industry Department to late returns of information from re-

September'a figure was a 4 per cent rise over Angust's very de-pressed levels when holidays and warm weather kept people out of . This index is very erratic on a

monthly basis. On a three monthly basis trade was 1 per cent higher in the third quarter of 1983 than in the second quarter, and 5% per cent nigher than in the third quarter of

In the first nine months of this year, trade was about 4½ per cent higher than the average for all of

September. In the first nine months per cent higher than in the last five In October, the index fell by 0.4 months of 1982. Hire purchase conper cent to 126.9 (1980-100) after a trols were abolished in July 1962:

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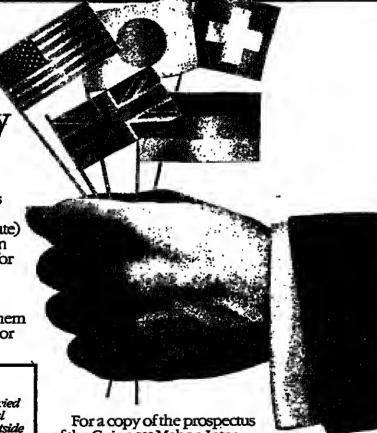
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Cautious Ulster line at London summit

A CAUTIOUS meeting between the British and Irish Prime Ministers in London yesterday is believed to have gone a long way towards res-toring close relations after the dis-

toring close relations after the dis-agreements of the past two years.

Dr Garret FitzGerald, the Irish
Prime Minister, in particular was
careful during the five hours of
talks not to put forward specific
proposals which might cause the
Government difficulty or upset Ulster Unionists. He said afterwards that he be

lieved Anglo-Irish relations were now as good, or better than they were two years ago, and in a refer ence to disagreements over the 1981 hunger strikes and the Falkland cri-

nunger strikes and the Paikland crissis he said "What is past is past."

Dr FitzGerald briefed Mrs Margaret Thatcher on the work of the New Ireland Forum in which the main nationalist parties in Ireland are trying to devise new political structures for the island. But he was careful to stress that the forum had not yet discussed specific political options such as the idea of joint sovereignty over Northern Ireland by Britain and the Republic.

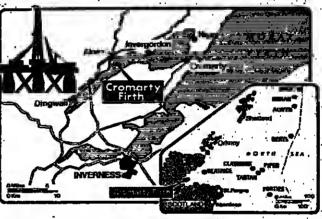
The most concrete decision at the talks would appear to be a resumption of regular meeting at prime tion of regular meeting at prime ministerial level, perhaps every sixmonths. There have been 20 ministerial meetings in the past two years, including five between the Northern Ireland Secretary, Mr James Prior, and the Irish Foreign Minister Mr Peter Barry.

Mr Prior and Mr Barry are understood to have had specific discussions about the electoral successin Ulster of Sinn Fein, the political

cussions about the electoral success in Ulster of Sinn Fein, the political wing of the Provisional IRA. The Irish hope the British Government will accept their view that this is a dangerous development, and DriftzGerald said he hoped both government would be in a position. ernments would be in a position in the next year to give Northern Ire-land a high priority.

The general impression is that yesterday's meeting was to build up confidence with a view to possible political action when the forum has completed its work. One possible irritant to good relations was removed when Mr Barry made it clear that the Republic will abstain in the forthcoming United Nations vote on the Falklands.

Mrs Thatcher will make a statement in the House of Commons to-day on the talks, while Dr FitzGer-ald will have a morning meeting with the Labour leader, Mr Neil



New base proposed for North Sea rig repair

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

A BASE for repairing offshore rigs in the Cromarty Firth, north of inverness in Scotland, could compete with Norway and the Netherlands would have advantages in terms of

on the UK's 12 per cent market share of inspection repair and maintenance work on North Sea semi-submersible platforms and

TRAFALGAR House has paid CX Exploration UK, the other company to have concluded a direct. British Petroleum's Forties field. The stake is in addition to the sale by tender of 10 per cent of the bigs so on similar terms. It is a subsides the subsidery of the Swedish concern Offication of the Swedish concern Offication in the sale of the Swedish concern Offication in the subsidery of the Swedish concern Officatio

A BASE for repairing offshore rigs in the Cromarty Firth, north of Inverness in Scotland, could compete with Norway and the Netherlands for a market worth £14m a year, according to a report issued yesterday.

The consultants report was commissioned by the Scotlish Development Agency and the Highlands and Islands Development Board. It urges the development of deep-water facilities on the Firth. But the lack of a deep water facilities on the Firth to improve on the UK's 12 per cent market share of inspection repair and maintenance work on North Sea semi-submersible platforms and save in the Scotland in the Scotland in the Right of the construction of berths.

The base would be unable to surpleted about \$5 per cent of their part of the construction of their part of the construction of their part of the construction.

The base would be mable to survive on rig maintenance alone. A 20 per cent market share would mean about 93 days's work a year, or sixter deal with British Airways for and mandatory inspection work on rigs at four yards. Three yards in the Netherlands and one in West Germany also carry out this type of work. The base would be unable to sur-

Rig operators have said that the lack of facilities was one reason for the small share of British activity.

Six rig visits a year to the Cromarty Firth would mean employment for about 150 workers.

BP in Forties sale

BY RICHARD JOHNS

the oil and gas exploration and pro-duction division of the Trafalgar House group to 4,000 barrels a day of output retroactive to the beginning of July. Acreage purchased through the tender sale will only give successful bidders their share of Forties oil from the start of next

Trafalgar House wanted 1 per cent of Forties not only to offset exploration and development costs elsewhere in the North Sea but also to finance a inture expansion pro-gramme, Mr Williamson adds. At present, the company's only production of about 1,000 b/d is in

Plessey seeks go-ahead in Grenada

PLESSEY AIRPORTS wants to be given responsibility by a new Gre-nadian administration to complete the international airport on the is-land now that the Cubans have left.

The company, part of Plessey. Electronic Systems within the Plessey group, is anxious to finish its £6.6m contract and have responsibility for completing the entire pro-ject. Plessey Airports would, if giv-en the go-sheed, invite applications from within the Caribbean in complete the civil engineering work.

• NORTH SEA oil production will be free of restrictions at least unit the end of 1964, Mr Alick Buchar an-Smith, Minister of State for Energy, told the House of Commons yesterday. He said the Government had given no undertakings to Opec about restricting output.

• PAINT prices are to rise by between 6 to 11 per cent within the next few months as a result of sharply increased costs of raw the terials.

 SCOTCROS, the Grasgow-based wines, packaging and animal feet-shifts group, has gone into racerer-ship after the discovery of "ener-ing its content of the c sive and unforeseen losses in its packaging division. The group en-ploys 560 people in the UK. Earlier this year Scottros closed its French wine bottle factory after a series of

BRITAIN'S trade deficit in engineering products could reach £9.8bn by 1988, more than offsetting any likely surplus on oil account. Quitter Goodison, the London stockbrokers say in their latest Engineering Review.

Seeking capital in

Bert 28 07.00

1 Comment of the second

BUSINESS

HAVE Y IN SO

THE MANAGEMENT PAGE: Small Business

MEMBERS of Parliament tend not to be amused if anyone draws attention to low attend-ances at the House. But given the political tub-thumping now associated with the cause of small firms, debate on the subject might be expected to attract large and enthusiastic crowds. It may thus come as o surprise to some that last Friday the first session of Parlia-mentary time for 12 months specifically set aside for discussion of the Government's Small Business Policy attracted barely 20 Conservatives and an even smaller contingent on the Oppo-

home early to their constituencles to deal with a host of small business problems in their week-

Before reviewing the achievements over the last year David Trippier, the small firms minister paid tribute to his predecessor John MacGregor—who has gone to Agriculture—and assured members that Norman Tebbitt would be a worthy champion of small firms worthy champion of small firms as Industry Secretary in succession to Cecil Parkinson.

Sensitive perhaps to criticism that the Government has made excessive political capital out of the famous 108 or so measures introduced since 1979, Trippier boldly declared that be preferred to talk generally about "working to improve the clamate for small businesses." He told the House that almost 13,000 people were now taking advantage of the Enterprise Allowance Scheme (which provides £40 a week to unemployed people starting a advantage of the Enterprise Trippler also spoke lyrically Allowance Scheme (which provides £40 a week to unsupple starting a section of enterprise about the value of enterprise agencies—he played o major employed people starting a part in setting up one in his business). These range from constituency, Rossendale and a small business set up to Darwen—and appealed to these

Commons debate: a test of the political and economic climate

embroider church vestments to an anti-corrosion engineer.

He also confirmed that the Covernment is undertaking o review of the Loan Guarantee Scheme £400m of the £500m The rest no doubt had rushed available for guarantees has now been taken up and applications continue to come in at the and in response to a question from the backbenches he essured listeness that the cost of the premium payable by the borrower (currently 3 per cent) would form part of the review,

Still on special measures he revealed that there had been a last minute rush of applications—about 2,000—for the second Small Engineering Firms Investment Scheme in the last week of September. This takes the total of firms which applied for SEFIS 2 to 6,000 and the value of projects 6,000 and the value of projects seeking aid to around £300m. (Since SEFIS provides a one-third grant to those installing advanced machine tools the £100m made evallable in the Budget should be more or less taken up.)

Trippier also spoke lyrically



private sector-backed small busi-pess support organisations to take more of the initiative in providing workshop space, matching private investors with

approved for tax relief (le con-

tributions from big companies are tax deductible.)

On priorities for the future, Trippier stressed the need for e period of consolidation but matching private investors with businesses seeking cash and promoting limbs with business clubs and colleges.

So far, he added, 114 of the estimated 160 enterprise he said, to improve awareness, to encourage management train-

they face too much red tape." that is demand and the prospect

to speak in the debate was make." the MP for Yeovil, Paddy Ashdown, who lists among his paigner who is also chairman the MP for Yeovil, Paddy Ash-Chamber Ashdown preferred, Chamber Ashflown preterred, however, to interpret the Government's small firms policy largely as the implementation of o good many Liberal Ideas. In calling for a full Cahinet Minister to look after small businesses be suggested that too much of what the Government has done is "piece. Government has done is " piece-meal and unco-ordinated."

Armed with ammunition provided by the National Federa-tion of the Self-Employed and Small Businesses (NFSESB) and the Association of Inde-pendent Businesses (AIB) he highlighted the number of companies going bankrupt, "Each one of these does not incur loss of shares on the Stock Exchange but is a personal tragedy for the small businessman."

Geoffrey Robinson, Labour member for Coventry the tax avoidance industry ho North-West who was formerly commented: "The trouble with chief executive of Jaguar Cars, rates is that they ore the only

for small businesses had not been changed by the Government's many measures and he stressed the importance of traditional manufacturing.

"Investing in seed corn companies is fine but it is no good unless there is a market for a man's inventions . . . unless there are opplications for them. ing and education, and realised There is only one thing that "many small firms feel will make companies invest and The Liberal representative of being able to sell what you

credentials that of a qualified of the Tower Hamlets Centre for Chinese interpreter. To the amusement of Tories across the Chamber, Ashdown preferred. But he was mainly concerned to debunk some of the mythology surrounding small husinesses— most of it put around, he claimed, by hig businesses, poli-ticians and journalists. In particular, he rejected the argument that local authority rates are the small business's bigges burden. On average, he argued, burden. On average, he argued, rates represent 3 per cent of total wages and 1; per cent of gross added value—a significantly smaller percentage of overheads than those items such as taxation and nationalised industry costs over which central government has control.

Small firms, said Mikardo, are being used os a "stalking horse" by bigger firms through the Confederation of British Industry and the Chambers of Commerce. In a backhanded compliment to the tax avoidance industry ho

In brief.

INCREASING nong small exporters is evident from the latest survey carried out by Market Research Enterprises for British Telecom, Europages. Of the 1,400 companies interviewed 37 per cent expected to take on more people over the next four months, 70 per cent expected turnover to be "much greater" and just over half anticipated a rise in profits over the period. The mood in the September survey is generally brighter than that for May, which showed confidence at a lower chi than at the beginning of

SIGMA of Letchworth, Hert-SIGMA of Letchworth, Hertfordshire (part of Meiville
Technologies) — a 1980
management buy-out which
was featured on this page on
November 2 last year—has
recently secured its biggest
export order so far for 18
special purpose production
line measuring machines and
associated equipment valued associated equipment valued at £/m. These machines are microprocessor controlled, fully automatic, and capable of measuring a range of com-plex components. They will form part of the quality control system in a new highly antomated factory.

THE Polytechnie of Central London in conjunction with the London Regional Manage-ment Centre is about to start o series of one day and week-end courses almed at introducing small businesses to microcomputers. These will include basic information on the hardware and software, africe on choosing o micro and discussion of applications such as hudgeting and fore-casting. Details on enrolment from: Annie Signac, Short Course Uult, Polytechnie of Central London, 309 Regent Street, London WIR SAL.

POINTON YORK, the London and Lelcester-based financial services group, has set up a Register for investors wishing to take odvantage of the Business Expansion Scheme, Individuals who join the "Business Expansion Scheme: the Syndicates for Industry" (BESSI)—there is no charge—will be asked to indicate the type and location of com-panies they wish to back. They will subsequently receive details of businesses investigated by PY, which says it will act as nominee for shareholders and provide

them with regular progress

The concept is identical to that of the recently launched Electra Risk Capital (ERIC) Business Expansion Scheme Register. This now lists about 4,500 names of people who claim to be able to call on £15m for investments under the BES this financial year and £25m in 1984-85. The hig question both for Electra and PY is whether they can find suitable companies to satisfy investor demand. Gordon Dean, managing director of ERIC. expects to send out the first prospectus early next

LESSONS gleaned from job creation experiments in the United States* are contained in a new booklet published by Project North East—a non-profit-making job creation organisation set up by former multinational executives David Grayson and David Irwin three years ago. The booklet is based on a study visit made to four American cities in 1982. Among other observations the pair comment fovourably on the role hig U.S. firms are playing in assisting local economic developments.

* American Experience of United States* are contained American Experience of Joh and Business Generation

—Project North East, Available from 5 Saville Place, Newcastle upon Tyne NE1 8DQ. 50pp. Price £2.95.

IF YOU are looking for money to support a business, don't forget the local building society. This is the thrust of a new paper published by the Association of Independent Businesses (AIB) which claims that millions of pounds of cheap, long-term investment finance is going

The AIB advises that The AIB advises that husinessmen can take odvan-tage of this source by way of an additional mortgage advance secured against their homes. Funds can also be raised in this way by ontside trestors, such as relatives and friends.

The AIB says it has been assured there is no legal obstacle—tax relief on the leterest payments would obviously not be available and that some societies are already making a few advances of this kind. "What is needed is a clear commitment by the movement as a whole to this type of lending and for the Government clearly to state its endorse-

'The job itself is the best of all teachers'

AS EVERY small and medium sized company director knows the absence of key employees for even o relatively short

provide the necessary finance.

clear, specific language and expourself the following questions: pressing the required results Why do I do this? Who among in precise, measurable terms—

for example, x increase in for mo now? Who could do it period—particularly during a sales, y decrease in costs, z improfits and distort costs. So if they cannot be spared to attend lengthy external training main task. Not least, it courses, how can their skills be developed?

Fortunately, the job itself is, and always will be, the best of all teachers. Here are five proven techniques which can

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The assignment should be important enough for success to make a real contribution to the efficiency of the department or even of the whole company. Ideally, it should involve the subordinate in obtaining and analysing a variety of information (preferably from outside as well as from within his own department). Wherever possible, it should be carried out in addition to the employeo's normal duties and, needless to say, a readistic target date should be agreed. Coaching. The more experienced the coach, the greater the potential pay-off. To be effective, however, coaching requires considerable sensitivity in handling people. to broaden their experience.

The key lies not only in setting the subordinate the right personal example of good management; the director must also be prepared to share with bim the reasons for boardroom decisions and actions.

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are, formal courses are only occasional pebbles on the beach of an employee's experience.

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BRITAIN'S SHIPPING INDUSTRY

Why the pilots are in stormy waters

By Brian Groom

A GROUP of Britain's proudest co-operatives is causing a fair bit of anguish and controversy. They are not one of Tony Benn's creations; in fact, Henry VIII played a more prominent role in their distinguished history. The country's 1,457 ships'

pilots are now too many, be-cause of declining trade, higher productivity, and rules allowing masters from EEC nations to obtain certificates to pilot their own ships in UK waters. As many as 600 of them may have

Attempts to get agreement on Attempts to get agreement on a compensation scheme for early retirement are the latest stage in a long-running wrangle over the shipping industry's annual £43.5m pilotage bill. Success will be achieved only if it halances the pilots' interests with the recession-hit shipowners' pleas for relief from high costs.

Pilots are self-employed, and their tradition of sturdy inde-pendence makes them reluctant to accept tha "co-operative" tag. But they pool earnings in a common purse within each of the 88 pilot stations.

It is ironic that their future will reach a critical stage in 1984, the centenary year of the main body representing pilots, the UK Pilots' Association. Their lineage is longer— pilots go back at least to the phots go back at least to the proposed in a Government-12th century. Henry VIII be sponsored draft report by came involved in their affairs Samuel Montagu is tha best so in 1514 when be granted a far. Royal Charter to Trinity House, But the association is raising the the leading pilotage authority

the leading pilotage authority. Capt Dan McMillan, the asso-clation's chairman, says: "Pilots Capt Dan McMillan, the asso-clation's chairman, says: "Pilots, and shipowners have agreed to differ on many issues." But It argues that a plan to fund there is little love lost. Ship-owners suspect pilots of using seven-year, 21 per cent levy to their influence on pilotage plates to right their herafit pilots accesses this. their benefit; pilots acrise ship-owners of parsimony, and ignor-ing safety to cut costs. tricts which don't currently need to get rid of any pilots but may be made less competi-

ONCERN



Capt. Daniel McMilian, chairman of the UK Pilots' Association, on the Thames at Gravesend

Pilots are prepared to see tive by the higher charges. It just love ships and I've been their numbers cut by early also describes Samuel Montagu's going on them all my working retirement. The latest offer of estimate of a 600-750 pilot surretirement. The latest offer of estimate of a 600-750 pilot surpayments averaging £57,600 (in plus as "unrealistic." 1983 money) over seven years

The scheme, when implemenproposed in a Governmentsponsored draft report by
Samuel Montagu is tha best so
if far.

But the association is raising practical objections in its consultations with the Dilaton never been implemented. Actual earnings vary according to pilot numbers in each port and differing calculations of charges: those in King's Lynn received £12,927 gross last year, while London sea pilots got £27,110.

The scheme would cost ship-owners an estimated £41.2m in Capt McMillan, 28 years a London river pilot based at his 1983 money, but in theory this would be more than offset by sort of man who will not be taking early retirement. "I

If an early retirement scheme is agreed, a still more contentious issue lurks in the background.

This concerns the possible implementation of byelaws pro-posed by the pilotage authoriposed by the photage authorities under the Merchant Shipping Act 1979 (consolidated in 1983). These have lain on the desks of three successive Shipping Ministers since 1980 without a decision being made on them

ings for pilots. If the number of pilots falls less money need

be raised. But in practice the

balance may be tricky to

Tha pilotage authorities pro-The pilotage authorities proposals to date cover about 10 districts, including London, and would radically alter the system whereby large numbers of small ships have hitherto been exempt from having to take pilots ou board. Shipowners are opposing the

In some districts at present, many ships under 3,500 tons in the home and coastal trades are exempt. The new proposals would mean that for ships above 50 tons there would be no automatic exemption. It would depend on the competence of the master or chief officer to navi-gate the waters concerned, and

Shipowners also have reser-

vations about the Samnel Montagu report. The General Council of British Shipping wonders how a national schema will operate at local level: it is also nervous about whether the net savings force. cates by taking examinations. Pilots are supporting the proposals but insist that they do not wish to get on board the smaller ships. They say the new system will simply be safer, it is nonsense, they argue, to license an inanimate object whether the net savings fore-cast in the report—£3.2m in the first year, rising to £12.2m when the seven-year levy ends —would be made in practice. (the ship) as safe to navigate.

Says Mr McMillan: "It's like saying that on a lorry run to Manchester it doesn't matter who drives it so long as the

lower pilotage rates. This is vehicla is licensed." hecause the setting of pilotage He cites the exbecause the setting of pilotage He cites the example of a charges in each port aims to small, unpiloted ship which

achieve a certain level of earn-sank in the Thames, with the ings for pilots. If the number lives of the crew saved only because another boat was nearby. The master dis-appeared, the seamen were shipped to the Netherlands and

there was no inquiry. Shipowners fear their costs will soar if their masters get involved in a complicated series of examinations. Getting those certificates for the right ports on the right ships will be a hureaueratic nightmare. They also suspect the pilots may he trying to secure their liveliboods by extending compulsory

pilotage. For the shipowners, the present system has a roogh justice. The erew of coastal vessels going in and out of port might be expected to know the waters. Pilots say this is "hunkum," pointing out that under the present system some masters can nilot their own vessels into London without having been there before.

Shipowners cut corners in their desire to cut costs, according to the pilots. Says McMillan: "You get on board ships and the officers teil you they're under pressure from the office to do their own nilotage, and they say for God's sake don't make it casy for us to get Shipowners cut corners in certificates because we get little enough sleep as it is."

A decision on compulsory pllotage is likely once an early retirement scheme has been agreed, which would trigger a reorganisation of pilotage.

Although the historical barriers to an amicable solution may seem great, there is now greater optimism than ever before that the issue can be sorted out. The latest offer on.

sorted ont. The latest offer on early retirement is certainly more generous than past offers, though problems over details

London docks crisis, page 23

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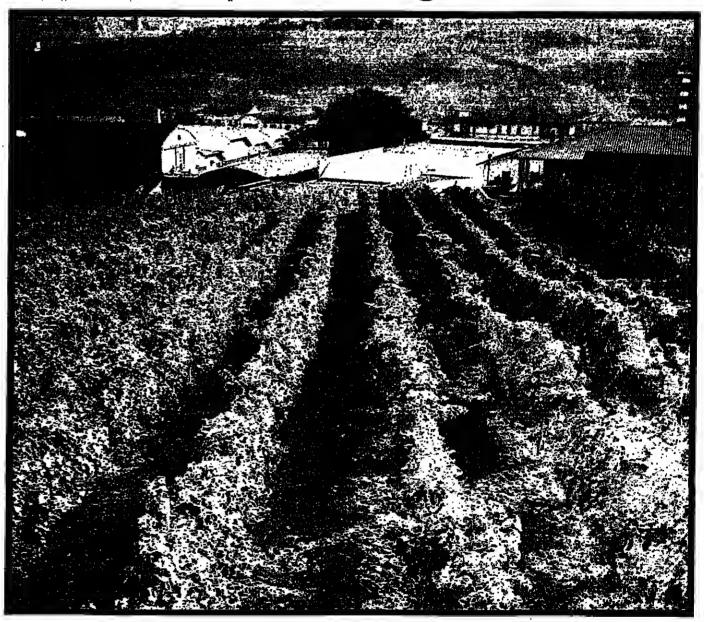
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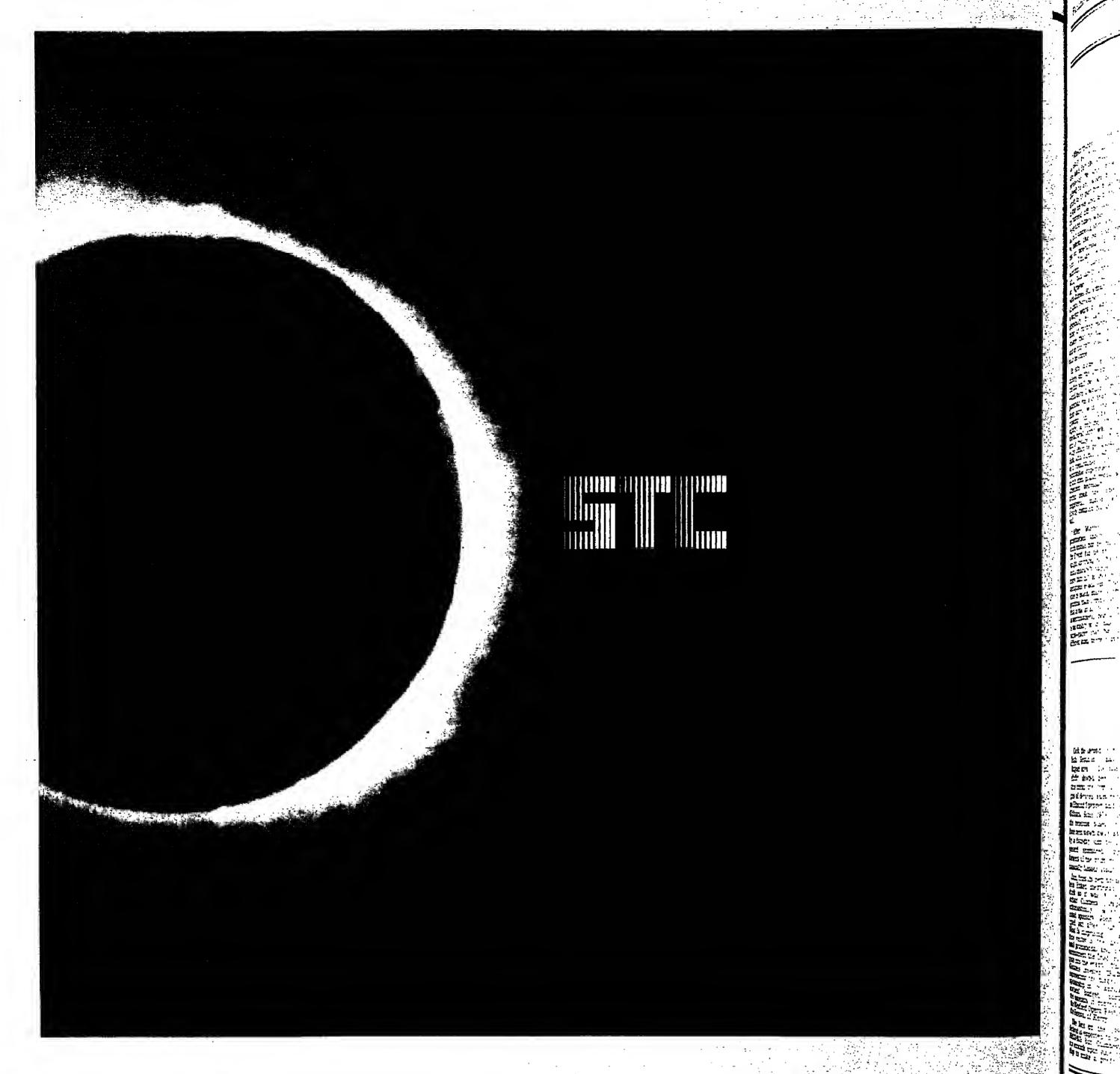
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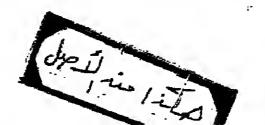
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THE ARTS

London Galleries/William Packer

'Perhaps a masterpiece'

"Masterpiece" is an epithet as easy as it is dangerous to use, and for the critic to put it carelessly to any new work, indeed to any work by a living artist, is to put his head meekly in the noose and ask politely to be turned off the ladder. But there are times when the risk is all but anavoidable, and should be taken, the position perhaps not so precarious as he may fear. Lucian Freud's latest painting, "Large Interior W11," has lately gone on show

the natural light whilst it lasts, and it really is worth making every effort to get along before dark, and lighting-up time. It is a remarkable sight, and a remarkable experience to stand in this dim, plush room, with all attention necessarily concentrated upon the one, cool, magisterial, subtle and infinitely complex picture on the wall.

"After Watteau" is its parenthetical sub-title, but too much should not be made of it, for Freud has never had, nor that is not at all to say that he is unsympathetic, nor that there is no quality of intimacy to his work—rather that he is of a different kind, more closely stu-

ance mocks the long-ago eulo-

gies of devoted admirers such as Edmund Spencer and Robert

Gibbings. Since 1978, however.

the recession blues in Cork

have been blown away annually

by a four-day jazz festival, at

present sponsored by the

brewers of the country's inter-

Jazz, from its beginnings, has

been linked inextricably with drink so it was fitting that Arthur Guinness jumped in enthusiastically when the initial sponsors, John Player,

opted out after four years. What is surprising to a first-time visitor is the deep and

total promotional and financial

commitment the Irish company

puts into the event. This year Guinness invested IR£200,000.

representing the biggest single sponsorship in its annual pre-

motional budget, surpassing the amounts it contributes to

the Wexford Opera Festival and

The loss on the 1983 jazz festival is expected to be about

IRE35,000 but Guinness does not embark upon such sponsor-

the Festival of Kerry.

nationally famous stout.

poetical imaginings of Watteau. What he has done has been to take from Watteau, from the

"Pierrot Content," an obscure painting now known only in reproduction, the compositional arrangement of the five figures of the artist's friends of the Commedia dell'Arte, sitting in a row beneath idealised, vague trees in that so characteristic Will," has lately gone on show at Agnews (by arrangement with James Kirkman, who owns it, until November 13), and it is a major work by any standard, physically by far the largest thing, at rather more than 6 ft square, that he bas ever done, and at the very least a technical tour de force.

It sits alone in the inner gallery on the ground floor, on the far wall below the skylight—and here I would remaind any potential visitor that these are dark days, with the evenings drawing in. The gallery, rightly, is relying entirely on the natural light whilst it lasts, and it really is worth making every effort to get along before

They sit together on an old iron bedstead in a bleak and empty upper room, plaster off the wall, pipes exposed, tap running in the sink. They huddle more closely now, and the child sprawls on the floor rather than lean attentively at the woman's knee; behind them are no dark trees but the dense and fully realised foliage of rampant potted plants; and the light is not golden but the cooler, grey, diffuse light of a norther manufacture. sought, anything of the Frenchman's delicately suggestive intimacy, that gift of imprecise and ambiguous evocation. The reference is much more direct and practical than sympathetic. But that is not at all to east that is not at all to east the transfer of the painting of light that is not at all to east that it not at all to east that the not at all to east the not at all the not at al and space, the figures and and pastels, monotype the objects fully convincing in the freest printing medium of all, space they hold and their relation to each other. The group is scape image of the nineties, as off centre, and seen quite close it were a puff of ochre smoke,

strong as elsewhere, to yet the goodwill of the licensed trade in Cork and to show a "good citizen" image, linking the pro-

duct with exciting music.
Guinness and jazz thus
become linked in the public's

mind, an association which will be fortified advantageously next

summer when Radio Telefis Eiresun shows 20 half-bour

television specials from the five

centrepiece concerts held in Cork Opera House, a modern,

characteriess (inside and out)

edifice, seating just over 1,000. Inevitably in such e major

festival Americans are the main

attraction and practically all those at Cork, such as the

Modern Jazz Quartet, Bob Wilber and the Bechet Legacy

and Buddy de Franco, bave

played recently in Britain, But.

there were exceptions. Among

these was Brazilian singer

Astrad Gilberto whose presence in a jazz festival must be

greeted with permanently raised eyebrows. Though beginning

her set with an intense, moody "Caravan," interestingly.

distortion and perspective, as the ground falls away, the whole impossibly intricate and shockingly ambitious: and yet all is quiet and stable and in

its place.

There are wonderful passages of paint, some of a bravura brilliance, others more reticent but no less in their accomplishment, others again accomplishment, others again fought for, retrieved, restated and finally resolved. The marginal and subtle shifts of plane, for example, as the eye travels across the laps of the central quartet, the form tacitly described beneath the clothes, is as fine a technical demonstration as one could bope to see, and yet carried out neturally and quite without overt demonstration; the hands of Freud's and quite without overt demonstration: the hands of Freud'a daughter, Bella, at the mandolin, are spectacular, virtuoso pieces of description, each of the five beads in its own way e magnificent portrait study. But to pick details ont of context is to miss the point, for all serve the common end: nothing is exapperated nor out for all serve the common end:
nothing is exaggerated nor out
of key, the barmonies, dissonances and emphases all
orchestrated together into e
single, coherent, effective piece.
It is perhaps a masterpiece.

But It is not alone in that: and across Piccadilly, et David Carritt in Duke Street (until December 9), is a small, exquisite group of masterpieces by Degas, drawings, pastels, etchings and one or two small paintings, the inevitable product of the working practice of a great artist. The intention, which I must say at once is fully achieved, is to represent within a necessarily narrow scope the

Cork Festival/Kevin Henriques

Drinking in the jazz

Cork, the second city of the festival is a marketing operaIrisb Republic, has seen tion with several calculated listener interest was focused happier days. Its somewhat shabby, down-at-heel appear where the company is not as guitarist deservedly much interesting three-part suite by and flautist Brian Dunning. They had the hard task of opention with several calculated listener interest was focused the Norwegian planist. Per They had the hard task of opention with several calculated listener interest was focused the Norwegian planist. Per They had the hard task of opention with several calculated listener interest was focused the Norwegian planist. Per They had the hard task of opention with several calculated listener interest was focused the Norwegian planist. Per They had the hard task of opention with several calculated listener interest was focused the Norwegian planist. Per They had the hard task of opention with several calculated listener interest was focused the Norwegian planist. Per They had the hard task of opention with several calculated listener interest was focused the Norwegian planist. Per They had the hard task of opention with several calculated listener interest was focused the Norwegian planist. Per They had the hard task of opention with several calculated listener interest was focused the Norwegian planist. Per They had the hard task of opention with several calculated listener interest was focused the Norwegian planist. Per They had the hard task of opention with several calculated listener interest was focused the Norwegian planist. Per They had the hard task of opention with several calculated listener interest was focused the Norwegian planist. Per They had the hard task of opention with several calculated listener interest was focused the Norwegian planist. Per They had the hard task of opention with several calculated listener interest was focused to the Norwegian planting the first concert and it was provided to the Norwegian planting the first concert

acclaimed in American jazz

The most eagerly awaited of

the unfamiliar attractions was

The Counstmen — the Basie Alumni Band, a pick-up unit

containing many illustrious former sidemen with the Count

plus still-serving guitarist

Freddie Green. Expected polish was applied to such classics as "Shiny Stockings," "9.20.

"Shiny Stockings," "9.20 Special" (with co-composer

Earle Warren featured on alto)

and "Doggin' Around." Trum-peter Harry Edison looked

certain to run away with solo

honours with exquisite dynamic touches in a duet with bassist

Eddie Jones but he was sub-

sequently upstaged by tenorist Buddy Tate whose spirited work

on "Jumpin' at the Woodside"

kicked everyone into the kind

of cracking tempo commonly

associated with Count Basie'e

There was some Irish representation et the Opera House concerts. Best known to Britishers was guitarist Lewis

swinging machines.



Detail from ("Large interior, W11")

the abstracted and fleeting image in the show. In between come many extraordinary things, and all beantiful: two drawings of jockeys, one from the sixties, the other the eighties, and both of them marvellous in their economy of description, effortless elegance and speed of statement: experia necessarily narrow scope the successive phases of Degas' career, and the range of upon lithographic proofs, here graphic media that be employed. So wa cover the ground from early self-portraits, etched and drawn, and studies after maison closes: a single monn-mategna, to the late monotypes and pastels, monotype the freest printing medium of all, hair falling free to ber shoulders a folder for held and pastels, monotype the freest printing medium of all, and here giving us, in the land-scape image of the nineties, as it were a puff of ochre smoke, bronzes, including the splendidly

player but did not seem entirely comfortable in these surround-

A special welcome was accorded Cork-born trombonist-

composer-teacher Bobby Lamb

as musical director of the dauntingly named EuroJazz; the European Community Jazz

Orchestra, a 30-strong band of young musicians (maximum age 25) from EEC countries. It mixed jazz standards (e.g., "Mile Ahead") with originals by Kenny Wheeler and Francy Polend Playing them with

Boland, playing them with discipline and verve. It is exceptionally endowed with solo talent, not least of which on this occasion was Irisb tenorist

Richard Buckley, who impressed on a Bobby Lamb composition, "Cúchulain." His brother Michael, aged 12, showed

Michael, aged 12, showed astonishing composure and breath control on a flute feature appropriately titled "Little One," which was given a final seal of anthority by an outstanding guitar solo from John Schröder (Germany).

The only all-Irish group at the Opera House was the quintet of singer Honor Heffer-nan (seen in the film "Angel")

active study of the dancer inspecting the sole of her foot that she holds up behind her. And there is a great rarity, a tiny and ravishingly beautiful pastel worked over e monotype that is bardly known, the that is bardly known, the image, the stege seen from the wings, the actors or singers in mid-performance, the prompter beyond the footlights and what can nnly be the conductor et his desk—but who the players and what the play, and which the theatre there can be no knowing. It is altogether a lovely show, made up mostly of loans, and the useful catalogue is being sold in aid of the Priends of the Ashmolean

dards pleasantly but with meagre jazz feeling. Before-hand, Dunning and the rhythm section played a couple of numbers in which pianist Noel

Kelehan stood out for his inventiveness. All five seemed

more relaxed in their appearances in the less formal Metro-

pole Hotel where, in three different rooms, sessions were

held during the day and at night in which British and Irish

Other hotels had similar

arrangements with different

performers. Additionally there

was the Guinness Jazz Trail,

consisting of over a score of pubs and lounge bars around

tha city where jazz was played

for large, enthusiastic—and boozing—crowds.

Getting the city's community and not just the concert audiences involved is a surefire

recipe for a successful jazz festival. To quote the publicity:
"Cork is big enough to host a festival of this kind and small enough to make you feel part of it." Anyone in Cork for the four days could not help but be

part of this hectic, friendly and successful jamboree.

musicians played.

Raymonda/Paris Opera

Clement Crisp

Rudolf Nureyev inaugurated (who bought one of the water his régime as director of the jugs used at the Wedding at and greatly gifted Elisabeth Ballet of the Peris Opéra on Cana as a sacred relic on his Platel and Charles Jude as sion of Rnymonda. It is some measure of his fascination with and choreographic plotting; idiot libretto by Lydie Paskova, a society novelist of the 1890s—that this is Nureyev's fifth complete staging. Andrew Porter and I have reported over two decades on recensions (for the Royal Ballet's second company, for the Australian Ballet, for the Zurich Ballet, for American Bsllet Theatre) which chart Nnreyev's concern, most evident in the "psychological" produc-tion in Zurich which identified Jean do Brienne and the Saracen Abderam as conflicting ele-ments in Raymonds's emotional life, to rationalise the acenerio. Now, in this grand staging for Paris, with opnlent dealgn hy Paris, with opnient dealgn by Nicholas Georgiadis, Nureyev baa reconsidered the hallet on its original Petipa terms as e vehicle to display the reaources of a great theatre end e great clessic ensemble for which be has assumed artistic responsi-

understood as a test-piece, even e declaration of intent, about the classic manner, its ection and expressive means no less unlikely than when it was first shown in St Petersburg in 1898. We see again the ballet against wbose stylistic inconsistencies —mediaeval dress set against tutus; ballet artists unrecon-ciled as character or classical dancers — Fokine wrote so despairingly in his memoirs.

After nearly a century we have learned to accept these illogicalities as ineradicable from the old ballet and can view Ray-monda as an assertion of Petipa's abiding relevance to dancers and to public.

What remains of the original choreography may be in question. The Paris text is in part Kirov Petipa; rather more is Nureyev as Nureyev, or Nureyev "after" Petipa. (1 suspect that, like the pieces of the True Cross in mediaeval Europe, there are enough alleged fragments of True tained by e torrent of richly varied dancing.

Cana as a sacred relic on his wey back from the fifth Crusade, which is the beckground to Raymonda's action); troubawhich dancing redeems almost every banality. And it says much for the excellence of the Opéra's artists, brilliantly clean in technique, that every improbability slips joyously by in the verve and spenking bravura of the performance.

In so long a ballet-the evening ran for three and a half hours—there are inevitable weak moments. These are in part due to Nureyev's sometimes fussy choreographic man-ner, that rejection of controlled classic language in favour of dynamic hustle. In crowd scenes, in the manipuletion of masses for which he has an especial skill, the action is carried along on e surge of energy that is theatrically vivid and in such aet nieces as the waltzes in the first act, the Arab, Spanish and Hungarian divertissements, the effects are stimulating.

But Nureyev's decision to turn Abderam into a danced role, when treditionally this has been a mimed character, seems to me a mistake. For Jean Guizerix, that superb artist, the part offers fidgety varietiona in contorted and mock-Eastern style thet add nothing to its dramatic weight, and indeed detrect from the menacing power of Abderam's presence. In the first of four casts,

Petipa in balletic repertories to build a four-masted schooner.) More significantly, Nureyev has understood the Petipa manner. not as the academic exercise propounded by many companies, but as spectacular enter-tainment, replete with characterisation, emotional intrigue, and not a little naivete, sus-

Thus Nureyev has preserved the fatuities of the scenario spectral White Lady appearing when danger looms; vision scene; King Andrew of Hungary

and greatly gifted Elisabeth Platel and Charles Jude as Raymonda and Jean de Brienne. Mile Platel is that rare being, e pure and translucently measure of his fascination with the kaymona's action); troups this intractable work — golden dours and soldiery—and asks us score by Glazunov; Petipa's to eccept them as part and psr-bysical hismony, grace of splendid machinery of dramatic cel of an unashamediy older the property of the comparison of the property of the property of the comparison of the property o feet), are allied to a gentle, aimost vulnerable charm. As with her ravisbing Aurore and her irresistible sylphide, the role is danced with sweetest ease, and a delicacy of ntterance in step and emotion that is never thin-toned or over-fragile. Emotional decorum, noble simplicity mark ber as en artist of greatness. Charles Jude, uncannily like the young Nureyev in manner, brings a comparable elegance and technical assurance to his more shadowy role. As the old ballet's statutory "friends" of ballet's statutory "friends" of the hero end heroine, Claude de Vulpien and Monique Loudieres, Laurent Hilaire and Menuel Legris, dart wonder-fully through the trenscenden-tal solos thet Nureyev bas set

> And everywhere the finesse of the Opera's training Illumi-nates the dance: notable are the quartet of men in the last act who, in e verlation which was acknowledged by contemporary observers as marking the rebirth of male virtuosity at the Maryinsky Theatre, beat and turn with heart-stirring academic clarity. One other beppy aspect of the casting is the return of Yvete Chauvire to the stage in the mime role of the Countess, aweeping through the action and manipuleting her extravagant skirts eloquence,

The staging, as you may gether, is a bold end brave declaration ebout the identity of the Opera ballet as a great company on a great stege. Nicholes Georgiedis has dressed Raymonda sumptuously, with a permanent setting that recalls mediceval tapestries and the distant prospect of chivalrous combat, and there is a skilled trensformation in the secood ect when Abderam's minions provide a pendant tent to enclose the Saracen diver-tissement. Not all the stage machinery worked at what seemed a final dress-reheersal for the biggest scenic effects, and I thought the introduction and I thought the introduction of skeletal horses for the joust, and the clanking presence of men in armour, rather too improbable even for this improbable ballet. But like Nureyev's production, the design argues the continued important and power of the portance and power of Ray-monda, as does the Opera orchestra under Michsel Sas-



Elisabeth Platel

David Murray

Partenope/Sadler's Wells

Partenope was the second of characters' Haymarket, boping to win back the eudiences be bad lost to ballad-operas like The Beggar's Opera. The vocal style is lighter and less elaborate, by and large, though there are still arias with formidsbly tax-ing "divisions" which the cast of this Handel Opera Society revival tackle boldly. There are

amiable suggestions of English musical idiom, particularly in the triple-time numbers; and where Handel's full-bloodedly Italian operas offered risible plots quite soberly, there ere signs in *Partenope* that the occasional laugh will not be

taken amiss. Tom Hawkes' 1981 produc-tion, sung in English, seizes thinkfully upon such hints, and with the belp of Peter Rice's tongue-in-cheek story-book designs gives us a gently guyed Partenope. It is funny enough to hold our sympathies, but not so ludicrous as to subvert the

operas Handel composed for the pleces—there is after all the usual complement of grand monologues, stormy or triumpbant or grieving. The plot prescrihes only one trans-vestite character, Linde Linde vestite character, Linde Ormiston's Rosmire ("in an Armenian habit, assuming the name of Eurimene"), although an alto was Handel's second choice for the Captain of the

Guards—here the baritone lan Caddy, so solidly stylish that one regrets the meagreness of his role. Miss Ormiston, like Adrian makes a notable success of playing up to the jokey tone tenor makes the other male principals-counter-tenora cos-

dramatic best in melancholy pieces, though his fury-aria pressively agile. As Armindo (originally e mezzo) Robin Mertin-Oliver is blandly assured squarer and subtle.

Partenope herself, with whom all the other principals ere either in love or pretending to be, is Sandra Dugdale. Her soubrette manner-and a tendency to sound more like a Strauss soprano Handelisn-diminish the real power of some of her music. but the effect is prettily con-Thompson as Prince Emilio, sistent and the bolder passages are tenaciously sustained. There is a crisp harpsichord continun of the production while pre- from Robert Aldwinckle end serving a single-minded fervour the reliable conductor is again Charles Farncombe, a trifle inflexible as always and yet unexpectedly delicate with numtumed as exotic brica-brac bers like Arsace's rurel arioso. seem particularly ineffectual And of course there is plenty weeds. Arsace was originally e of excellent Handel to discover: brilliant castrato; Paul Ess- an evening of attractive wood's much softer timbre tells rewerds.

Music/Monday. Opera and Bellet/Tuesday. Theatre/Wednes-day. Exhibitions/Thursday. A selective guide to all the Arts ap-

"Caravan," interestingly Stewart with an Irish-arranged, she was soon into Norwegian quintet, Composi-her familiar material in that tions by Cedar Walton and unmistakable but emul-induc- Horace Silver preceded an

November 4-10

cent years is very much the history of the jewels market writ large. When Sotheby's boomed in the late 1970's so did its auctions of jewels at Geneva and St Moritz. Suddenly demand faltered for the large investment diamonds, the most highly-priced stones, and Sotheby's profits soon slumped. Now this season, Sotheby's has had a good jewels sale in New York and its financial position seems much more se-

Of course there was much more to Sotheby's troubles than the fall in sales and commission on jewels, but this speculative market does act as a barometer for the art world generally in its unavoidable invest-

But rubies and sapphires have largely ridden the storm, and so have coloured diamonds and pearls. Graham Llewellyn, head of jewels at Sotheby's, believes some of the sapphires to be sold at Geneva on November 17-18 are modestly estimated, in particular a Cabochon sapphire and diamond ring, with the stone valued at just \$1,500 a carat. A Kashmir sapphire, weighing 50 carats, may be more of a problem

tential buyers. Pearls are doing well because of the difficulty in discovering new pearls in the waters of the Gulf and pearls weighing 4000 grains, should do well, despite a \$400,000 estimate. In the New York jewels auction, coloured diamonds were the surprises with two blue diamonds making \$84,000 and \$69,000 a carat. But the market in this case, as in jewels generally, could do with more sellers of top quality stones to inspire confidence among buyers.

In the October sale in New York, large certified investment diamonds were selling at \$35,000 a carat. This is only half the price they might have fetched at the peak of the boom in 1979, but at least there was a market for them and prices were about 10,000 dollars a carat above their 1980-81 depths. Many holders of such diamonds are still waiting in the sidelines for prices to return to exalted levels: they might have along wait.

There are other weak areas in jewels, notably emeralds which have never quite recovered from the disappearance of Iranian buyers after the revolution. The vogue for art deco jewellery has also faded sligbtly in the past year as modern reproduction jewels have unsettled the market.

Jewels maintain their attraction as an alternative investment for the very rich. Many who were lured in by the price escalation of the late 1970s are still sitting on over-valued Items, but as the world economy improves prices seem set to rise.

THE F.T. **EUROPEAN TOP 500**

WILL BE PUBLISHED ON SATURDAY 12th NOVEMBER

This Survey incorporates the top 500 companies in Europe, by market capitalisation ranked by order. Special articles will look at individual companies behind some of the more interesting findings, contained in the rankings,

EUROPEAN TRADED OPTIONS

Tuesday Wednesday Thursday Friday

Only in the Financial Times

Arts Guide

Opera and Ballet LONDON

Boyal Opera House, Covent Garden: The new production of Mussorgsky's Boris Godunov in its original ky's Boris Godanov m its draman version is by Soviet film director Andrey Tarkovsky. Clandio Abbado conducts. The cast (which includes Aage Haughland, Eva Randova, Gwynne Howell, Mikhail Svetlev, and Philip Langridge) is led by Robert Lloyd io the title role (240 1080) English National Opera, Colissom:

The new production of The Valkybia a granto's eye, offers some excit-

rie, a curate's egg, offers some exci ne, a curate's egg, oners some exchi-ing stage pictures, and fiery perfor-mances from Josephine Barstov, Alberto Remedios, and Willard White; Mark Elder conducts. The Tales of Hoffmann, one of ENO's Tales of Hamman, one of Tales most reliably enjoyable entertainments, returns with a largely new cast, including John Treleaven as Hoffmann. Last performance of Monteverdi's Orfeo, a controversial but heartfelt achievement (6363161) Royal Opera House, Covent Garden: The new Royal Ballet triple hill in-

cludes Nureyev's The Tempest from last season (240 1066) Dance Umbrella circus of conte and dance continues at various London venues, including Riverside Studios, which is visited by the American experimentalist Trisha Brown (Tue and Wed)

Metropolitan Opera (Opera House): The seventh week of the centenary

season features Don Giovanni with James Mosris in the title role, with Edda Moser as Donna Anna, con-ducted by Jeffrey Tate, with La Bo-hame, La Traviata and Peter Grimes. Lincoln Center (580,9830) New York City Opera (New York State Theatre): Ariadne auf Naxos, Tosca, Madama Butterfly, and Cunning Little Vixen, Lincoln Center

The Student Prince Light Opera of Manhattan): William Mount-Burke's production burns Sigmund Rom-berg's Reidelberg into n lively back-ground for Prince Karl's tuneful love of Kathie. (Ends Nov 20)

Washington Opera (Opera House): Co-si fan Tutie, Rigoletto, Kennedy Center (2543770)

Mouricio Kagel: A musical epic about the Devil Theatre de Chaillot. Salle one Devil Incaire de Chaillot. Salle Gemier (727 8115) Two Offenbach conducted by John Burdekin, produced by Robert Dhery at the Opera Comique (296 9611)

aducted by Alain Madame Butterlly con Lombard in a Teatro Communale de Florence production with Raina Kabaivanska in the traditional version alternates with Giazunov's Ballet Raymonds in e new production with Rudolf Nureyev's choreogra-phy reinterpretating Marius Petipa. Decor and costumes by Nicholas



Sasson/Michel Queval at the Paris Opera (266 5022)

Berlin Deutsche Oper: The week starts with Don Carlos, sung in Ital-ian, with Pilar Lorengar brilliant in the part of Elisabeth. At the occa-sion of this year's Wagner anniver-sary, Tannhäuser is presented with Gwyneth Jones and Harald Stamm in the main parts. Madame Buttar-fly is perfectly cast with Helga Wis-niewska and Franco Tagliavini. Also on performance, Tosca, finely inter-preted by Janis Martin in the title role, as well as der Türke in Italian. the part of Elisabeth. At the occaole, as well as der Türke in Italien. Hamburg Straisoper: Hanna Schwarz does justice to the title role in Car-men. Also in honour of this year's

wagner cenerations, Parsian is or-fered this week with Wagner spe-cialist Rene Kollo and Leonie Rysa-nek, famous for her rendition of Kundrey. Giovanna d'Arco, one of Verdi's less well known works, pre-sented in a concert version, is prem-iering this month. Outstanding Mar-garet Price and Richard Cartin are singing the leading parts. There was much acclaim for Alexander Zemlinsky's two operas "Eine florenti-nische Tragödie/Der Geburtstag der Infantin", which reappeared on the German stage after a long absence. The Magic Flute rounds off the week. Frankfurt, Opera: Die Entführung aus

dem Serail has a complete new cast with Hildegard Heichele and Rudolf Mazzola. Der Fliegende Hollander does justice to the title role. Manon Lescaut convinces thanks to Nelly Miricion in the title role. La Travia ta is conducted by the young American conductor Judith Somoghi.

funich Bayerische Staatsoper: Don Giovanni, sung in Italian, has fine mann and Prancisco Araiza in the leading roles. Otello is of respec-table standard with Vladimir Atlantow in the title role. Die Lustigen Weiber von Windsor and Ariadne auf Naxos are both Wolfgang Sawallisch productions. The latter is worth a visit because of brilliant Anna Tomowa-Sintow in the leading

nich, Opera: A ballet evening devoted to music by Maurice Ravel is jointly choreographed by Ferenc Barbay, George Balanchine and Maurice Bejart (Wed)

Jewels regain their confidence

By Antony Thorncroft

THE HISTORY of Sotheby's in recure under new management.

ment gwise.

to sell: it carries e \$600,000 price tag, which limits the number of po-

a three-row pearl necklace, with 110

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY Telegrams: Finantimo, London PS4. Telex: 8954871 Telephone: 01-248 8000

Tuesday November 8 1983

The next step for Turkey

next government patently the most competent of the parties on offer, that led by Mr Turgut on offer, that led by Mr Turgut Ozal. Long a senior civil ser-vant, Mr Ozal was the architect of the stabilisation package which has belped Turkey again to pay its way in the world. Now ha has a clear majority in Parliament as he seeks to reform Turkey's creaking bureaucracy and to open up the country to a degree of com-petition from abroad.

Powers

But first Mr Ozal bas to come to terms with the realities of Ankara today. For the fact is that whoever is prime minister of Turkey no longer has the powers which once went with this office. Instead, the generals' new constitution bas introduced a strongly presidential curitor. deotial system. Under this, the president may pass decisions and decrees against which there and decrees against which there is no appeal. He personally aelects the prime minister, may convene the council of ministers under his chairmanship. ters under his chairmanship, may block legislation and constitutional amendments, and may call new elections. He can atop the replacement of the retired generals now heading bodies such as the Directorate of Press and Information.

President Kenan Evren bas just compounded the problem facing Mr Ozal in two speeches showing that be expects to exercise more power even than that granted him in the constitution. In the first, he said markets the said markets and the said markets and the said markets are said markets. tial law would continue indefi-nitely: the constitution stipu-lates that the Council of Ministers, meeting under his chairmanship, and Parliament decide on this. In the second speech, be used the prestige of his office to ask Turks to vote against Mr Ozal. It seems to have been an outright political misjudgment. It will not make working relations between the

go before representative democracy is fully restored. Sun-day's elections were held under conditions of martial law and censorship. Further, the best interest of the generals that

sunday's elections mark a and some of the more vigorous firm step forward for Turkey, parties of the present were in allowing them, the generals banned or prevenied, from runding. The generals hope ago have opened the way for the eventual restoration of democratic rule. The Turks themselves bave helped the process along by choosing as their rest government patently the to sink into its pre-coup chaos.

In reality there is no practicable alternative in sight to the have launched the country and which should lead to more open elections in five years. It is therefore important that this course should succeed. Turkey's allies in Nato bave an interest In stability in the fragile inter-face 4:tween Europe, the Soviet Union and the Middle East. Proceeding in this direction

will require good will from both the generals and the politicians. Sunday's vote for Mr Ozal suggests that the generals would be better eppreciated and their reputation better their reputation better preserved if they withdraw into the wings sooner rather than later. It would probably be wise for them to agree to an early winding down of martial law and to discourage indicial excesses in the trials of trade unionists and the country's

peace movement. The other side of the coin is thal Mr Ozal in particular and that politicians in general bave got to show restraint, Where Mr Ozal is concerned, there is every reason to expect that be will act responsibly. Even though the military discouraged his standing in the election, he has frequently landed their achievements. He seems to believe that even the most restrictive of the generals' legislation is only challenged by a very small minority, Having been their deputy prime minister for two years be knows where the military are sensitive.

Economy

His emphasis on the economy is to be welcomed. Rapid measures are needed to tackle the problems of banks and industry. At the same time the economy must find its way back to a higher rate of growth if unemployment is not to strain further the country's social fabric. To achieve this Mr Ozal Turkey still has some way to will need all the belp be can before representative demoget. He is bound to be racy is fully restored. Sunchallenged by politicians still

Reforming the stock market

WITH THE publication of the nical risk that Parliament Bill granting exemption for the might still throw out the legisstock Exchange from the lation. If the case ever got into restrictive practices legislation, the Restrictive Practices Court of stock market reform has been completed. But in a very lead to be stock exchange been completed to the structure of the Stock exchange has yet to the council is willing to the council is will be considered. the Stock Exchange has yet to the debate.
begin. There must now be a But the City Capital Markets

from the leadership of the Stock Exchange or the Government, bas been that changes in the way in which securities are traded in London should be phased in very slowly. The agreement between the Government and the Stock Exchange envisaged that the final removal of the commission scale might not happen until the end of

More recently, Ministers and Stock Exchange officials have urged that the single capacity structure—involving the rigid separation of the market into brokers and jobbers—should be successful for as long as possustained for as long as pos-aible, and indeed strengthened, though always with the rider that in the end strict single capacity and negotiated commight prove to be

incompatible. incompatible.

But the priorities of the commercial world are quite different. Already, with yesterday's announcement of a deal between Citicorp and the brokers Vickers da Costa, the seething undercurrents of discretional and approximation in the cussion and negotiation in the City of London are starting to

emerge on the surface.

While many potential marriages may be delayed for the time being because the prospective partners are unsure of the future framework of the stock market, a number of other market participants are likely to take a calculated risk. Certainly, everybody in the London stock market, and many more who would like to be connected with it, are laying careful comingency plans. There is a danger, therefore, that authorities will find them-

than lead them. The Stock Exchange, for because Il is aware of the tech- regulatory time-table.

Committee has had no such inhibitions. This is a body set up under the auspices of the Bank of England, and composed of prominent individuals from most walks of City life. Last week it recommended that urgent planning should take place for a new market system in anticipation of the serious pressures that are likely to be inflicted upon the present one in conditions of freely nego-tiable commissions.

The committee does not appear to be predicting that the existing single capacity structure will inevitably break down. But il is probably fair to say that the majority of stock market prostitioners and present market practitioners and users now believe this to be the case. Once minimum commissions are gone, the pressure for brokers to deal outside the market—thus avolding the jobbers'
"turn"—will become intense.

At any rate, the committee agrees, there is a strong chance of progressive collapse of the existing structure. Moreover, once a timetable is set for the strapping of the commission scale, the discipline of the markel will immediately come under strain as member firms seek to establish their competi-tiveness under the new condi-

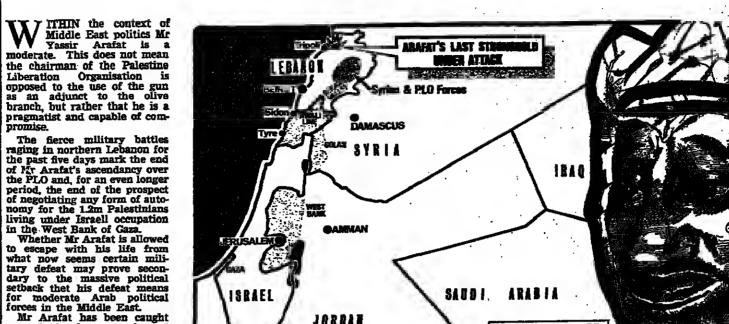
The rules could be bent by granting unrealistic dealing rates on unregulated sectors (which will soon include over-seas securities) and offsetting these against the remaining controlled commissions. Or firms could quietly promise deferred discounts, redeemable

when the rules allowed. selves in the position of trylog Some of the country's best to calch up with events rather financial brains are now bard at work on the restructuring of Britain's securities market instance, bas given the impression that it wants to preserve now be acutely aware that they the existing structure of the will bave to respond to urgent market as far as possible; commercial pressures, and not though this may be partly seek to operate on a leisurely

THE MIDDLE EAST

Arafat in a Syrian trap

By Roger Matthews



JORBAN

ciently disturbed by the behaviour of Israel to launch his September 1 peace proposals. The Arab nations responded a little later with their own eight-point peace plan hammered out in Fez and originally proposed by Sandi Arabia in conjunction with Mr Arafat. Although there were considerable differences between the two plans, there were enough points of similarity to suggest e basis for under him.

Mr Arafat's genius has always been to maintain a degree of cohesion among the eight factions which comprised the PLO. His great strength derived from Fatah, which accounts for up to 80 per cent of the PLO membership and the bulk of its fighting forces. Fatah itself enjoyed a degree of independence, but other factions exist principally as the political arms of Arab governments within the PLO. Thus Syria, Libya and Iraq all have larity to suggest e basis for negotiation and development, However, in the months that followed the two plans staggered and then collapsed under the weight of U.S. inactivity, Israell rejection, and lack of moderate Arab support for Mr Arafat and King Hussein of Arafat and King Hussein of

Syria, Libya and Iraq all have their surrogates while rene-gades such as the Abn Nidal group sell their skills to the highest bidder. Even within The twin pillars of the Reagan plan had been co-operation between Mr Arafat and King Hussein, and e willingness by Israei to accept withdrawal from occupied territory in return for a Fatah, there were sharp dis-agreements over strategy and tactics. There are a few who still argue that Israel has to genuine peace with its Arab neighbours.
Mr Reagan's inability to prevent Israel continuing its be pushed into the sea, others who follow a more pragmatic line than Mr Arafat. Once more settlement building programme in the West Bank and Gaza, or

in the West Bank and Gaza, or to temper its outright rejection of his proposals, weakened the moderate Arab case. Fellow Arab leaders who had welcomed the Reagan proposals Arafat and the possibility that Middle East deal might be Arab leaders who mad wer-comed the Reagan proposals Arafat and the possibility that timited themselves to mainly a Middle East deal might be struck behind his back. The Mr Arafat.

Syrians have a fear of Israeli

King Hussein and Mr Arafat intentions which approaches
did come close to agreement on
a joint negotiating position on
the West Bank and Gaza in ejection of Egypt from the
April. But, at the last, Mr
Arafat was unable to swing a
for the reserved leadership. King Hussein and Mr Arafat did come close to agreement on a joint negotiating position on the West Bank and Gaza in Arafat was unable to swing a big enough majority in Fatah (the main guerrilla organisation which he founded) to be able to complete the deal. A bitterly disappointed King Hussein amounced the fallure,

Syrians have a fear of Israeli rebels emphasises its disregard for moderate Arab opinion and the flurry of messages from Arab capitals backing the PiO assistance?

Royalling than Palestinlans for moderate Arab opinion and the flurry of messages from Arab capitals backing the PiO assistance?

But political timidity and military weakness are only two of the reasons why many. Arab greater defence of Mr Arafat today than they did when to the founded) to be able to present today than they did when the founded to be able to complete the deal. A bitterly disappointed King Hussein amounced the fallure,

Mr Arafat's perceived weak-

which in retrospect may have sealed the fate of Mr Arafat.

The essence of Mr Arafat's sider a deal with Israel while Jerusalem was showing every sign of not being willing to unity of the PLO. By crawling of not being willing to budge an inch on the West sealed the room for the Mr Assaud with his connertmity. he provided the room for the radicals to cut it down from under him. The Syrians astutely capi-talised on the arguments which had developed within Fatah

are right for the planned Arab summit to go ahead on November 20 in Riyadh. It might fairly be asked, what more propitious moment there could be an for Arab summi-when the leadership of one of its members—the PLO—is in the process of being hijacked. The moderates who enjoy e clear majority in the Arab

Syria's confidence in providing full military support for the rebels emphasises its disregard for moderate Arab opinion

over its withdrawal from Beirut in August 1982 following the military drubbing it had received from the Israelis. Some counts would put this majority as high as 17-4, with tions by Mr Arafat of military commanders who had been wings to bolster it. For an Arab leader with vision and courage Subsequent ill-judged promotions by Mr Arafat of military
commanders who had been
accused of cowardice during
the Lebanon campaign set off
the first public disaffections by
the men who are today leading
the assault on Mr Arafat's last
military stronghold.

majorny as mgn as 11-2, with
twisting eagerly in the
wings to bolster it. For an Arab
leader with vision and courage,
the moment might seem ripe
to first public disaffections by
the men who are today leading
the assault on Mr Arafat's last
military stronghold.

rebels emphasises its disregard

Syria's confidence in provid-treaty with Israel appear to ing full military support for the Arab leaders today any more rebels emphasises its disregard eppalling than Palestinlans

tions of the Reagan Administra-tion in the Middle East and of the surge in Islamic militancy springing from the Iranian re-

springing from the Iranian revolution and the Gulf war.

Some fear that unless they bend to this radical wind it will snap off their regimes. If the price for evoiding that fate is to let Syria have its way in north Lebanon, then so be it. The speed with which President Mubarak of Egypt reacted to reports that the U.S. was planning military retaliation for the death of its 230 marines in Beirut underlined. Arab Beirut underlined Arab nervousness that American actions could make the moderate Arab point of view

completely untenable.
President Mubarak's apprebension springs from
America's direct military involvement in the region. The
vulnerability of the marines near Beirut airport and the power of the American fleet off-

power of the American fleet offshore could at any moment
draw Washington into the
centre of the crisis.

Mr. Zbleniew Brezezinski.
President Carter's former
Netional Security Adviser, said
recently that not only was
America's Middle East policy
in ruins but that Washington
was now acting "militarity as
an auxiliary to the Lebanese
army and politically as a proxy
of Israeli foreign policy." of Israeli foreign policy.

He added: "The U.S. is on the brink of becoming plunged in military activity against the Palestinians and the Syrians. The result of such involvement is likely to enhance the stand-ing of Syria in the Arab world as the authentic voice of Arab nationalism."

Lebanese city of Tyre. "That is an Israeli decision," was the response. Rightly or knongly in many Arab eyes that would be taken as approval.

Hints of closer U.S. Israeli

Hints of closer U.S. Israeli strategic co-operation and a possible American naval build up off Lebanon can only reinforce Arab suspicions that plans may be under way to strike more forcefully at Syria both for its role in the Lebanese reconciliation talks and for its alleged ultimate responsibility for the deaths of U.S. and French troops in Beirne.

It is not always easy for Arab regimes to maintain close links with Washington when Israel is killing Arabs. It would be doubly difficult if the U.S. was to assume that role, whatever the creed or political complexion of its victims.

Certainly nothing could be

Certainly nothing could be Certainly nothing could be more guaranteed to undermine the slight progress made by the Lebanese factions last week in Geneva. Syria is at one with the rest of the Arab world in not wishing Israel to be allowed to derive any political advantage from its invasion of Lebanon. The easiest thing to agree in Geneva was a statement reasserting Lebanon's essential Arab character and its me ship of the Arab League.

In essence this means amend ing, not necessarily abrogating, the May 17 Israell withdrawal agreement negotiated with the Lebanese Government under Lebanese Government under President Gemayel. If Israel refuses to accept the principle of an amendment there is no doubt that Syria has the military and political capacity to wreck the reconciliation conference when its resumer test. ference when it resumes later this month. That presumes, at course, that anticipated Israeli and/or American retallation for recent bomb attacks lies not se off another round of civil war.

It also assumes that military hardliners in Israel and Wash-ington are not tempted by the edvocacy of such men as Israel's General Ariel Sharou who almost certainly wants
Syria's military presence to be
removed from Lebanon. With
Soviet and U.S. troops only
about 50 miles: apart—the. distance from Beirur to the Syrian border—and Syria enjoying the protection of a Soviet-manned missile system the risk of a super-power confrontation would become all too

5 KK

greater.

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Paratio ac

In this context, the future of Mr. Arafat becomes a small pawn in a much larger game. Svria is the only approximately reliable ally of the Soviet Index in the Middle East and the only mouthpiece through which Moscow can influence or frustrate American efforts fi achieve e peace settlement.

Mr Arafat must also be acutely aware of how second-ary his movement is to the survival and self-interest of individual Arab leaders. Since 1970 the PLO has been the cuckoo in the Arab nest. In The White House was asked for its reaction when Israell out of Jordan, in 1975-76 it was akreaft bombed positions in punished by Syrla for becoming too successful in the Lebanon on Friday in retallation for the attack on Israel's the leadership is again, being security headquarters in the sacrificed to Syrian ambitious

Men & Matters

Glasgow rangers

squarely in the nutcracker of Arab radicalism and Israeli

A little over 14 months ago there was, remarkably, a glimmer of bope for a nego-tiated Middle East settlement

following the traumatic Israeli invasion of Lebanon.

President Reagan had been sufficiently joited by the scale of fighting in Lebanon and sufficiently disturbed by the the

ciently disturbed by

intransigence.

Jordan

Glasgow," said the comic, " is the only city where you rob a bank and get mugged on the way to the getaway car." The audience convulsed. Andy Cameron, one of Glasgow's infinite supply of comedians, was wowing the delegates to the Confederation of British Industry's seventh annual con-Industry's seventh annual con-

ference with a typical display of native self-deprecating wit. But putting the place down bas been a rare ectivity these past few days. Glasgow has been selling itself hard to Britain's business leaders.

The eivie reception, given in the monumentally beautiful City Hall on Sunday night, had an orchestra, and food and wine well above the curling sandwiches and plonk class. Delegates were then ahep-berded to the Theatre Royal to be entertained not just by the talented Cameron but by the cream of Scottish opera, the world champion Glasgow police pipe band and Fulton MacKay, late of the TV serial Porridge. Michael Kelly, Glasgow's Labour Provost worked vigorously to get the CBI to the city and is working harder to

His council and the Strathclyde regional authority have the CBI that neither Glasgow's reputation for violence nor its socialism should deter indus-trialists from moving their plants and managers there. CBI leaders are clearly impressed and loud in their praise of the welcome given them.

on the conference's

Some say that the seaside jaunts of the past will never be retainment, which will get the CBI trade. Kelly and his comrades are

in the commodities game requires, above all else, nerves of

John Horam, aged 44, who this week rejoins his old firm Commodities Research Unit (CRU) as managing director, does not think he has much to fear. Since leeving CRU 13 years ago be has kept in training in the hard school of politics, first as a Labour MP, later as a minister (be was junior winter at the Department of

when be contested Newcastle Central instead. Horam started CRU with

Robert Perlman 15 years ago only to sell out when he went into politics.

Now he is back there on a salary plus profit-sharing, while

peated; from now on it is the industrial cities willing to spend large sums on their enter-New York advising companies. governments, and international world, has recently completed not daft, though. They reckon its biggest job—a study of the tion to their investment in goodwill effects of the world recession that conwill yield anything up to upon commodities, which is sell-future."

similar strategy in mind for CRU, it seems. They are talking of moving beyond commodities, harnessing the expertise at their comand to become international experts in telecommunications

as a minister (be was junior minister at the Department of Transport in the last three years of the last Labour government), and finally as one of the founding fathers of the SDP.

He was one of the 12 Labour MPs to go over to the SDP in 1981, and be is still a leading party member, although his parliamentary seat (Gateshead West) was abolished at the last election, and be failed to win when be contested Newcastle

houses, fund managers and a bost of other specialists who contribute to the working of the Britannia International In-

vestment Management might be called the Fairy Godmother of the four-day party as it is acting But undoubtedly the role of beadmaster to the USM classes

chairman.

Horam says the commodities business will suit him fine, together with the additional task of generating an overall expansion of CRU activities. He does not envisage an early return to politics although he is keeping his options open for the future.

CRU, which now employs character to the USM classes of drinkers?" Numeiri demanded. "Almost 95 per cent of our people like to take a glass or so, socially or after work," Fyjis-walker replied.

"Then you can find your exponent of the big five only one to deal in all 200 of the Numeiri retorted."

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"Are the British 2 nation of drinkers?" Numeiri demanded. "Almost 95 per cent of our people like to take a glass or so, socially or after work," Fyjis-walker replied.

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"Then you can find your exponent of the only one to deal in all 200 of the order of the order

cRU, which now employs Gilts market and Winterflood No account ebout 100 people in London and was anxious to broaden his company's base. "It seemed natural governments, and international for its to specialise in this new agencies upon the commodities market," be says. "We haven't world, has recently completed regretted it and it is our intention to deal in every new stock ancy too exciting, my son." that comes along to USM in

for the CBI's two days of concentrated talking and party-going. And perhaps more jobs will follow later.

Full Circle

Conventional wisdom is that life in the commodities game requires, above all else, nerves of in the City as a messenger boy. As a birthday present for the USM he is setting up a new dealing pitch on the floor of the Stock Exchange which will-be split into three sections handling the 200 stocks in easyto-manage groups. .

Punch line.

Britain's teetotal technicians if there are any may soon find their services at a premium.

That, at least, seems to be the inference of a conversation be-tween President Numeiri of Sudan and the British Ambasing the second half of this week.

Companies on the market will be joined by interested stock-brokers, stockjobbers, issuing stock-brokers, stockjobbers, issuing stock-brokers, stockjobbers, issuing stock-brokers, stockjobbers, issuing stock-brokers, stock-brok

Commenting on the introduc-tion of Islamic law in Sudan, our man in Khartoum exparently told Numeiri that there might be difficulty in find-ing British technical experts to work on the country's develop-ment projects if the ban on "Are the British a nation of drinkers?" Numeiri demanded.

Daddy, what is an actuary?" I asked yesterday. A reader tells me that the usual reply is: Someone who found account-

Observer

Some of the worst wounds...



are the ones that don't show It used to be called stiell-shock. Now we know more. We know that

there are limitations to the human mind.
Soldiers, Sallors and Airmen all risk mental breakdown from over-exposure to death and violence whilst in the service of our Country. Service... in keeping the peace in Northern liceland no less than in making use.

We devote our efforts solely to the welfare of these men and women from all the Services. Men and women who have tiled to give more than they could.

Some are only 19, a few are nearly 90 years of ege.

We help them at home and in hospital. We run our own:

Convalescent Home and, for those who are homeless and cannot look after themselves in the community, our Hostel gives permanent accommodation. For others, a Veterans Home where they can see out their days in peace.

they can see out their days in peace.

These men and women have given their minds to their Country. If we are to help them, we must have funds. Do please help to repay this vast debt. It is owed by all of its. They've given more than they could please give as much as you can."

EX-SERVICES MENTAL WELFARE SOCIETY 37 Thurloe Street, London SW7-21L Tel-01-584-8688

Letters to the Editor

Some legal points of order on Grenada

From Mr Amédée Turner. MEP for Suffolk and Harwich Sir —I was surprised to disagree with practically every assertion made by "Justinian" (October 31) concerning the position of the Queen and the Governor-General in Grenada. country, such as Australia or Canada. Greneda is in exactly

the same position. Therefore Sir Paul Scoon. in carrying on his office after the revolution which brought in Mr Bishop and after the revolution which removed him, was taking a course of action which the Oueen could take in Britain in e of revolution here. She could abdicate or she could con-tinue to reign passively or, because the constitution (partly unwritten in our case and partly. in statute form) would have been violated, she would be free to play an active part to obtain the best form of government for Britain in her judgment in the circumstances of the time. In

monarchy would not end simply Grenada's self-determination degree of popular support and tion had. In the same way, if Sir Paul purposes. chose to remain passive (as be did) and she did not withdraw

Governor-General in Grenada. Governor-General; and if he in the nation itself, and is takes an active part after the exercised and safeguarded on revolution and she does not its behalf by the delegated the Queen in Grenada. But he withdraw ber authority, he realists she is in Grenada or she has ended his mandate. This is in the nation itself, and is takes an active part after the exercised and safeguarded on revolution and she does not its behalf by the delegated withdraw ber authority, he realists she is in Grenada or she has ended his mandate. This is in the nation itself, and is exercised and safeguarded on revolution and she does not its behalf by the delegated authority, in this case the mains Governor-General. Therefore, the Queen's position how a Commonwealth Governor-General, as the guardian of sympathy, as Justinlan says. Similarly, if he invited in the react to internal constitutional react to internal constitutional country, such as Australia or General, as the guardian of react to internal constitutional react to internal constitutional country, such as Australia or General, as the guardian of react to internal constitutional react to internal constitutional country, such as Australia or General, as the guardian of react to internal constitutional react to internal constitutional country, such as Australia or General, as the guardian of react to internal constitutional react to intern set up a government, so long as she does not remove his authority be is still acting as Governor-General not, as Juscovernor-depend not, as Justinian says, merely as a leading citizen. Also, I do not agree that the Queen'a role in Grenada has ended until democracy is restored, any more than it would do so in similar circumstances in Britain. Finally, I do not think Justinian can possibly assume that the Queen or her subjects have or electrons. subjects here or elsewhere pre-fer former colonies to become republics within the Common-wealth rather than monarchies. Amedee Turner, 3, Montrose Place, SW1.

Grenada is a sovereign Comdid) and she did not withdraw monwealth state, but this his authority, be continues as sovereignty ultimately resides Governor-General; and if he in the nation liself, and is violations, and distinguish these violations from natural evolutions in the constitutional pro-cess, is inevitably based upon

cess, is inevitably based upon a political decision.

The constitutions adopted by Britain's former colonies, which were worked out with great care in the period prior to independence, were not rigid structures. It could not always have been predicted which national and social characteristics would subsequently assert themselves. Some room had to be, allowed for change and

Tals accounted for the acceptability of the military regime of the late Maurice Bishop, which was recognised by Britain and the U.S. in 1979. Although this other words, in Britain she could take an active part if she wished because the constitution, which had limited her powers, would have been abrogated. Her the shear of the series in Grenada and your could have gained hy popular lastitute for European Defence and Strategic Studies, wention as a violation of Bishop enjoyed a considerable take an active part if she wished Sir.—Rour. coverage of the tuttomal legitimacy which it crisis in Grenada and your could have gained hy popular lastitute for European Defence and Strategic Studies, 12a Golden Square, W1.

because our democratic constitu- have reflected a serious mis- hence could lay claim to a kind understanding of its avowed of provisional legitimacy of its

> Such support and legitimacy were clearly not enjoyed by the regime which supplanted it. It was in order to restore the national sovereignty and consti-tutional rights of the Grenadian people, which had been thrown aside with such barefaced and presumptuous brutality, that the Governor-General exercised his constitutional duty as the sole legitimate authority remaining in Grenada by appealing for outside assistance. The American action was not "ill-considered," nor based upon any ideological "simplification." The United States has not violated Grenadian sovereignty and independence; it has restored them. There has, in this respect, been no in-fringement of international law, nor of the United Nations Charter. There can be no com-parison with the Soviet invasion of Afghanistan. The

> ing to help the Grenadian people are these of an uncon-stitutional and unrepresentative regime and its Soviet

HE'S CHEAPER THAN A BUSINESS

MANAGEMENT CONSULTANT AND TWICE

AS EASY TO UNDERSTAND

only interests which Washing-ton has acted against by agree-

CRISES at the Port of London Authority recur with doleful regularity, but there is no doubting the gravity of the current one. This is the last chance for Britain's biggest and

most beleaguered port.

"We have not many dice left to throw. It is impossible to get any form of commitment from customers unless we can guarantee reliability. The alter-native is borrendous," says Mr Victor Paige, the chairman. The ports industry is

nervously watching the PLA'a battle to survive after 11 financially crippling weeks of pay strikes by dockers and ships' clerks this spring. The next few months will be crucial. The coosequences of collapse would be far-reaching. At the very least it would mean the failure of fiva years' lame-duck nursing into which this theoretically laisses faire Government bas been drawn

very uneasily. The troubled PLA has bad some £150m in direct and indirect state aid since 1978. At worst, it could provoke a long-feared erisis over the way the Government and employers

have handled the steep deeline of Britain's registered dockers in the wake of the dramatic changes caused by the containerisation of cargoes. In 1972 the dockers were in the forefront of union battles against the Heath Government's

Industrial Relations Act when five of them-known as the

registered workforce from 41,000 to 13,900. But the industry has paid a high price in

The 36-year-old statutory £7m. dock labour scheme allows Bur unions to sit jointly with red it employers on local and national in effect being used to keep narrowing. These include:

Registered dock workers 300

Port of London

'Few dice left to throw'

By Brian Groom, Labour Staff

960 64 68 72 76 90'82

Terminal, Seaboard Pioneer

their own businesses and pre-

the surplus of dockers.

Government still funds

pulsory redundancies.

dockers in an unemployment Seeking a no-strike deal to limbo rather than allocate them restore confidence in the port's to other employers.

The impression that dockers have the right to a job for life unless they volunteer to go is a myth which could be cruelly shattered by a PLA crisis, say employers. Compulsory redundisruption.
dancies are possible under the Winning back lost trade. An They may become scheme unavoidable.

Workers' Union were unable to it. block them by using its votes on the labour board it might threaten a national strike. That would test the Government'a nerve. But it would also prove Pentonville Five—were jailed nerve. But it would also prove for contempt but then released, whether the 1972-tyle solida-Shortly afterwards dockers rity of the dockers has survived. Since January 1 the Govern-Since January 1 the Government has refused to meet any

Since then peace has largely further trading losses by tha been maintained by avoiding PLA. Ministers have repeatedly enforced sackings, while voluntary redundancies have cut the minds on this score. The anthority has avoided an

immediate cash crisis only by the sale of the Royal Victoria severance payments. It has Dock, Newham, to the London lived with the cost of a labour Docklands Development Corposystem it considers outdated ration for about £5m. The pro-and inflexible, and which has kept surplus doekers on employers' books even when there is no work for them to do. The state of the surplus and the surplus doekers on government overdraft facility—will cover this year's net losses, which may be anything up to

But there is likely to be more red ink next year, unless the authority can win back the 10 boards which control the size to 15 per cent of tradic it has of workforces. The 1972 lost because of the disputes, Aldington-Jones report, issued and find some way of reducing after the strike, stopped the system whereby the "tempo-for whom there is no work. Tarily unattached register" was Its options are already the strike tradictions and find some way of reducing after the strike, stopped the "tempo-for whom there is no work.

However, the PLA takes the Government's tough seriously. It recognises that Ministers would be seen as financing losses caused by strikes if they came to the authority's rescue.

A national strike over redun-dancies might shatter the dockers' reputation as militants. "It wouldn't last five minutes. Many of them would realise they couldn't fight bankruptcy, says one port employer.

None the less, few ports would welcome it. Already the alarm and uncertainty created by the PLA's croubles is making it difficult to persuade dockers elsewhere to accept modernisation of the industrial relations machinery.

The National Association of t Employers has asked tha TGWU to consider replacing the bureaucratic statutory the bureaucratic statutory labour scheme with voluntary collective bargaining, as in other industries. The union has reliability. Braneb meetings of the 1,930 London dock workers turned this down, saying that employers cannot be trusted to bave rejected this, but the PLA could still seek a two-year pay

run a voluntary system.

The PLA was recovering nicely before the dockers' and clerks' disputes. It had cut post-interest losses from £12m in 1980 to £3.3m last year (an over-all £78 000 profit effort metions). deal which would do something to remove the threat of yearly upbill struggle, and the Governall £76,000 profit after restruc-turing), and was set to make a ment appears pessimistic about the PLA's chances of achieving net surplus of up to £5m in

 Transferring husiness to that Loss of business bas put that PLA's four tenants—Tilbury Container Services, West Africa target beyond reach. "There is very little difference in price between Tilbury and Felix-stowe, but we need reliability," explained Mr Rhidian Griffiths. Terminal and Svenska Cellulosa. But this would be a de-fensive measure to shore up European president of Sofati container service, wheo it fled from London to the east coast vent any pulling oot, rather than a solution to the PLA's during last spring's dockers

Improving productivity, Dockers remain one of the Moves are under way to make most unpredictable groups of workers. While the Port of working practices more effi-clent, but these will exacerhata London this year suffered the longest strike in its history, the Voluntary redundancies among dockers. Though the once militant Port of Liverpool Though the has had its best year of indus-trial peace for more than a and payments of up to £22,500 have been available, too few jobs bave been shed. decade.

Charged like the PLA with ending its losses this year after Some TGWU leaders remain receiving similar amounts of unconcerned about the PLA. Asked wbether be feared its government aid, the Mersey Docks and Harbour Company financial collapse, Mr Bill Mun-day, district officer, says: "No. We have lived with it for the past 10 years. I don't think the turned in a first-half trading profit of £3.6m. Liverpool has a two-year pay deal of the kind that the PLA is seeking. It even Government would allow the situation to arise." He doubted has an agreement stating that wbether Ministers wanted to if a dispute occurs on one ship, it will not spread seross the take on the dockers over com-

Controversy on the South Bank

From the Secretary, Royal Fine Art Commission

Sir,—I have only just seem Colin Amery's article, "The-Great South Bank Controversy" (October 22) in which he quotes me as saying that the Royal Fine Art Commission intends "to push hard to improve... the generally low quality of most of the new proposals" on the Hay's Wharf site. These were not my words. site. These were not my words. Indeed I told him that my Com-Bridge by the John S. Bonning-ton Partnership. The only major building which the Com-mission had not yet seen, and about which I personally expressed reservations, was Cotton's by Michael Twigg Brown and Partners. The rest of this huge scheme (and we are talking about the first phase only) consists mainly of the repovation of existing buildings, which my Commission commended from the start. Sherban Cantacuzino. 2, Carlton Gardens, SW1.

From the Chief Architect and .. London Docklands Development

Sir, I was greatly surprised con from his own rather sour views as to the architectural quality E. E. Hollamby of the Hay's Wharf develop West India Hou ment, "The Royal Fine Art Millwall Dock, E14

Commission, an official architectural watchdog," had "not yet examined in detail all the pro-posals" and that its secretary, Mr Sherban Cantacuzino, "told me that he intended to push hard to improve what he called the generally low quality of most of the new proposale."

I can hardly believe that
Sherban Cantacuzino's views were-quoted accurately in as conflict with his description of the Commission's views contained in letters to me following on consultation by the LDDC. On August 23 1982 he said Members warmly welcomed the overall proposals for Hay's Wharf, feeling that they would result in a successful solution to the problems of access to, and movement within the area. They also felt that the pro-posals for the riverside walk were most successful" and on November 23 1982 he wrote "The Commission warmly accepted Mr Bonnington's scheme, feeling that it represented a successful solution to the problems of the site. It saw point in lowering the building in order to maintain the existing views of Southwark Cathedral, and expressed every confidence in the architect's to read in Colin Amery's per ability to develop his design, sonal assessment that apart believing that the detailing

Cutbacks at British Steel

Chairman, British Steel Corporation (Industry).

Sir.-Your leader on Novem-

and the workforce was reduced by some 60,000 people. The Conservative Government sanctioned the closure of Shotton and other small facilities, but most of the cutback in output and much of the cutback From Mrs Hannah Quinn. in manpower had by then been done. The stage was then set for a remarkable increase in productivity by further redun-dancies, good management and workforce co-operation. It is this that you should call "impressive."

Charles Villiers Radstock House, capacity was pretty well halved 5, Eccleston Street, SWL

West India House

statements to the effect that they had belatedly "seen the

light" and sent their business management consultants pack-ing. Both have since had

organisational and monetary

to minimise the efforts of those who seek to warn us, directly or indirectly, that peace is not our preroga ... and war can to destroy innocent victims. Hannah Ouinn.

ch of British

at the polls From Mr M. B. Daniels

to give a fair reflection of actual vote as necessarily the voter's genuine first preference.

The only sure way to ascer-tain the voter's real first preference is by the single transferable voic system. There is then no fear of "letting in" the

From Sir Charles Villiers.

ber 3, comparing British and German cutbacks in steel out-"When a British conservative Government finally got to grips . . the cutbacks in output and man power were

For the record I have to say that the BSC cutback of output was mainly done under Callaghan's Labour Government. Nine large steel works were closed,

orst

314

P/e ratio as an elastic ruler

From Mr Michael Harmer Sir,—Lex on Saturday notes the move towards p/e retios calculated on an actual tax rather than fully-taxed basis. That the City has recently been feeling less at ease with the existing system is a good indication, not before time, that the p/e ratio is about as much use as an

The ratio takes two simple the ratio takes two simple items, share price and net profits although these are not necessarily related, and combines them into e meaningless figure. If the share price goes up, a good thing, it has the same effect on the p/e as if the profits go down, a bad thing. So a movement in the p/e ratio up or down can be caused by totally haps its qualities of ambiguity

The share price is an event subject to daily change but earnings, the other component, are derived from a balance sheet covering a whole year, a figure which could easily be over a

year old. There is no reason whatever to relate today's share price to what a company earned in a previous period. Any view formed from such a apurious re-lationship must have no mean-

ing.
To say that the p/e ratio represents "purchase of earnings" is unrelated to the practice of anyone anywhere. Des-pite the disguise of numerical precision it is not possible to make any useful comparison between the p/e ratios of any two companies, even in the same sector, except as a crude

Why the credibility of such an atterly useless measure should persist is a mystery. Perand obscurantism make it attrac-tive to financial commentators and thus impossible to dislodge from City mythology. Michael Harmer. 10, Tyrells Close, Chelmsford, Essex

Broker and FT bashing

in his cheek ("Broker Bashing, monopoly. As inhabitants of wonder why competition should glass houses they should forbear to throw stones at those in a more harsh competitive climate. John Hall. The FT's pre-eminent position was proved when the manage

ment was able to pass the cost

From Mr John Hall of submitting to the unions Sir,—Although Mr Gordon's straight on to their customers tongue is evidently curled deep in his cheek ("Broker Bashing," we, the readers, should retaliate now 3) be does have a valid by buying up our own newspoint about competition. Whilst agent and distributing the FT yielding to none in my admirative we might buy a single comment and coverage. I do copy of the FT for 35p, photogramment and coverage, I do copy of the FT for 35p, photogramment and coverage. comment and coverage, I do copy of the FT for 35p, photo-think your contributers should remember that the F.T. is in a bute it for 10p to city readers. commanding position, having whilst both plans would be bought ont the competition in the past, to exert a virtual protective legalisation, one does wonder why competition should

Chalk House Green Farm. Kidmore End.

When a critic is criticised Sir,-Nigel Andrews must be It is not Mr Andrews' fault that

be unable to enter into a child'a emotions as other critics were relationships, and perception. For the calm reticence of little

speaking for himself when be he is too young, I presume, to remarks in his review of the be able to know what life was film Little Ida showing at the like for people living in Minema Knightshoung at the countries occupied by the Nazi Minema, Knightsbridge, that the ormies. They had to learn trauma experienced by a seven-painfully to stiffe their emoyear-old girl trapped between tions when dreadful happenings year-old girl trapped between those place, but the securing different loyalties and life took place, but the securing styles in the Nazl occupation of impassivity of little Ida in the styles in the Nazi occupation of Norway left the audience and face of calamity is only under-himself "unmoved." Practicully every critic there was strood in that context. Does one cally every critic there was through the pointed interested enough to review the film at length in their columns. All the benefits and disadvantages of living in surroundings are hairs fundamentally more as being fundamentally more interested in writing than in criticism and perhaps that is all bope that these circumswhat he should be doing. To be more interested in knocking out a startling simile hat to be unable to enter into a child's able to do speaks for a certain our prerogater and war can lack of knowledge about human still return with all its power

K. H. Holland.

See Whins, Fort Argyll Road,

Ida's face to be described as Crescent Cottage,
a "mug" does show a certain 103, Marine Parade, Brighton. Incentives for management

Whilst it is true that such schemes are infrequently found in smaller UK companies, they are widely used in the largest UK companies. Our 1983 study for the Charterhouse Group of over 1,000 companies' annual reports showed that over 50 per cent of all companies with over £200m sales had executive share schemes whilst under 10 per cent of small companies with less than £7m sales had

As a result of the reductions in the highest marginal tax rates by the previous government, executive share schemes have grown in popularity in the last three years, from about 20 per cent of our sample of over 1,000 UK companies in 1981 to 29 per cent in 1982 and to 31 per cent in 1983.

Obviously it would be a popular move amongst executives to improve the tax position of share options. It is, however, misleading to think Bolion.

Sir,—Tim Dickson's article option runs the same risks as a specific that they are virtually unknown "this side of the Atlantic." Our experience suggests otherwise.

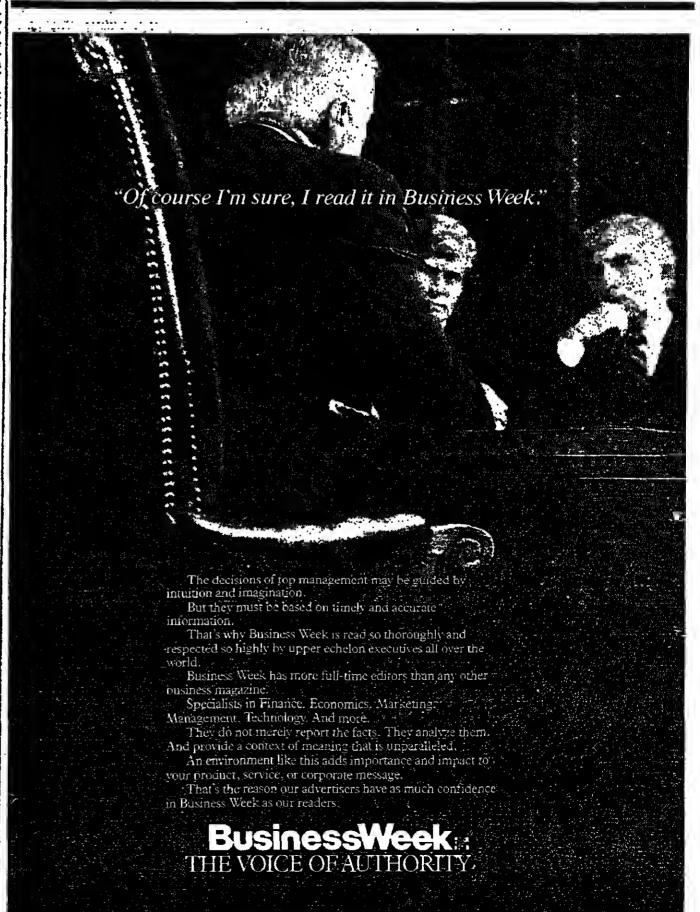
Whilst it is "Tim Dickson's article option runs the same risks as a shareholder. The benefit to the option has no down side risk.

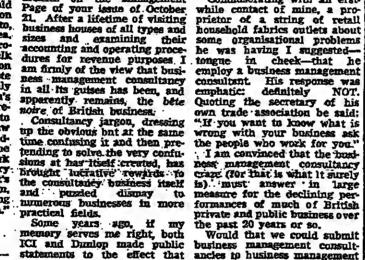
A. W. Vernon Hamman Manning and Manning are same risks as a shareholder. The benefit to the option has no down side risk.

A. W. Vernon Hamman Manning are same risks as a shareholder. The benefit to the option has no down side risk. A. W. Vernon Harcourt. Monks Partnership, Debden Green, Suffron Wolden, Essex.

Sir, Mr David Townsend's system of "vote ranking" fails opinion because it treats the In a large, but unknown, number of cases it will in fact represent his second preference. favoured in order to evoid "letting in" his third pre-

voter's pet aversion.





TOR COST STATUTE
CASA-ROW
TOS PROGRAMME
TOR COST-ETTERNE
CASH-TVOS...

Sour view of consultancy

From Mr R. H. Holland, traumas — apparently the Sir.—I was fascinated by the articles on the Management Commiserating with an erst-while contact of mine, a pro-



FINANCIAL TIMES

Tuesday November 8 1983



SOVIET PRESIDENT'S ABSENCE SPARKS LEADERSHIP SPECULATION

Andropov's potential successors line up

BY ANTHONY ROBINSON IN LONDON

MR YURI ANDROPOVS failure to appear oo the saluting base atop Lenin's tomb io Red Square yesterday bas underlined what many have long perceived as the essentially interim oature of the ageing tion of who might be his eventual

That this should bappen so soon after the demise of Mr Leonid Brezhnev, a man incapacitated through illness for much of his last six years of power, has increased the chances that the oext leader to emerge will have to include relative youth and fitness among his other,

Soviet leaders are chosen from within the ranks of the Polithuro. But Mr Andropov has oot beeo able to promote any fresb blood apart from 59-year old Geidar Aliyev, a former KGB official and party boss in Azerbaijan, who moved up from non-voting candidate status to full membership of the Politburo ten days after Mr Andropov assumed

Since then, be has been put in charge of the anti-corruption cam-

Russians suffered too much under the Georgian Stalin to stomach another non-Russian leader, and Mr Alivev's chances of eventual promo-

ship candidates could be widened if Mr Andropov is able to retire some of the older Brezhnev appointees, like the 78-year old Prime Minister, Mr Nikolai Tikhonov, 72-year old Mr Konstantin Chernenko, the 71year old Kazakh party boss Mr Din-mukhamed Kunaev or 69-year old Moscow party boss, Mr Viktor

He is not likely to want to replace either 74-year old Foreign Minister Mr Andrei Gromyko or 75-year old Defence Minister, Mr Dmitri Ustinov, because they are his main sup-

buro team intact be would still be able to appoint new men to replace the two recently defunct members Mr Arvid Pelshe, who died aged 84 in May, or candidate member Mr Sharaf Rashidov who died last

proolems of Soviet railways. But been politically strong enough either to replace or retire.

This means that only two men have both the age and Politburo ex-perience to make them serious adership candidates, 60-year old former Leningrad party boss Mr Grigori Romanov and the 53-year old Benjamin of the Politburo, Mr

Mr Gorbachev was brought into the Politburo only 3 years ago, although he bas been a central committee secretary with responsibility for agriculture since 1978. As a university law graduate and trained agricultural expert, be is the best formally educated man of the team. He has been groomed to meet foreign delegations, promoted to supervise the forthcoming party elections and membership selectioo process, and recently impressed his anadian hosts with his sophistication and authority when he lead a Soviet delegation to Ottawa and the prairie farming areas earlier this

gard him highly, and if the internacharge of the anti-corruption cam-paign and detailed to sort out the week. Thus far, bowever, be has not of U.S.-Soviet relations, was less fri-

But the Soviet Unioo shows clear signs of bunkering down into a beleaguered "fortress Russia" mentality and Mr Romanov, no relation to the old Czarist royal family, has the credentials to run that kind of poli-

Unlike Mr Andropov, with his KGB power base, Mr Romanov is a man of the party apparatus. For more than 12 years, he has run Leningrad with a tight rein. He has cracked down hard on dissidence and unorthodoxy, supervised the big new bousing and industrial projects of the former Russian capital and maintained close links with the military-industrial complex of Leoingrad's important naval base, shipyard complex and sophisticated arms industries. He bas also kept an eye on the neighbouring Baltic

The fact that he was brought into June after 12 years "exile" in Len-ingrad is significant. There is evi-dence that Mr Andropov singled out Mr Romanov long ago as his most serious contender for the top job,

gid than it is, his chances of reaching the top would rate as good. spreading through KGB disinformation channels reports of a drunk eo wedding party in the Hermitage Museum. Guests at the wedding of Mr Romanov's daughter were al-Czarina's crockery, loaned by a re-luctant Hermitage staff at Mr Rom-

> It is not known whether Mr Audropov has subsequently revised his opinion or was not strong enough to prevent Mr Romanov's move last June to a key central

> committee secretariat post.
> But the fact is that Mr Romanov is now well placed to add to his old Leningrad power base the new connections made possible by his Moscow secretariat post.

Whether this sparks off a new Kremlin power struggle or not, appears to depend largely on whether Mr Gorbachev is willing, as seems likely, to forge an alliance with Mr Romanov. Mr Gorbachev, after all the centre of power in Moscow last still has the youth to gain further experience and emerge, with luck, as the chosen candidate next time

Anthony Robinson, Moscow Correspondent, was expelled from the Soviet Union in April.

Receivers

offshoots

THE DISINTEGRATION of the

West German IBH construction

equipment manufacturing group gathered pace yesterday as receiv-ers were called in at the group's two British subsidiaries, Hymac in South Wales and Terex in Scotland.

On Friday in West Germany, IBH

Holdings applied for court protection from its creditors; at the week-

at IBH

THE LEX COLUMN

Taking an option on London

The day may not be too far off by au outsider of a 29.9 per cent olding in a stock exchange firm looks a quaint and archaic exercise. Last week's engagement between RIT & Northern and Charterhouse gave a striking indication of the capital resources which may be at ings, while yesterday's announce-ment from Vickers da Costa and game bas changed since Security Pacific took its stake in Hoare Govett last vear.

While abiding by the letter of the 29.9 per cent rule, Vickers has in practice sold its birthright. Citicorp will buy majority control of the international operations, which have recently accounted for 70 per cent of Vickers's earnings and roughly the same proportion of net assets, while leaving a minority of about 20 per cent with existing management in London, meanwhile, Citicorp has paid a premium for its minority in return for an option on the rest as and when the rules allow.

The high price extracted by Vickers for the effective loss of its independence may strengthen the bar-gaining position of all those other brokers who are burning the midnight oil in talks with outsiders. The price paid for the package sug-gests a value for the whole of Vickers of around £22m, which represents a multiple of around 9 times actual tax earnings for the year to August. But the multiple on average earnings over the past three years is no less than 15%.

The mixed arrangement does have a few advantages over the Hoare Govett structure. Vickers is hedged against the possibility that the London rule book is not changed since, in extremis, it could resign its London membership and trade UK securities through the existing Citicorp network.

Yet it also faces numerous potential obstacles. In an industry in which deals can be booked through any one of several centres, 80 per cent ownership outside London and 29.9 per cent in it presents problems of conflict of interest. And the regubank. Citicorp will certainly present recovery prospects. Lucas's mar-flour and bread prices, would leave

the Bank of England has for so long denied banking status in London to its own securities houses.

Lucas Industries

New car registrations have been running at such a high level in recent months that yesterday's preliminary results from Lucas Industries caused some disappointment. On sales of £1.2bn, pre-tax profits have fallen from £20.2m to £2.1m. Even then, it seems, only a smaller than expected reorganisation bill of £18m kept the group profitable at all - and this, after a reduction of the workforce by 30 per cent in the

A 5p jump in the share price was readily attributable to Lucas's maintenance of its final dividend. In the year to July, though, total UK car production climbed only 2 per cent, with the real unturn con-centrated into 27 per cent jump in the June quarter. Lucas compounded its own problems by con-centrating most of its lay-offs in the

end of the year. Taking the core UK vehicle equipment division, Lucas turned first half losses of £12%m before reorganisation costs into second-half losses of £6%m - evidence of the group's first turnaround in four years and a pointer, perhaps, to the gains which could accompany a sus-tained volume recovery on the basis of Luces's improved productivity.

Any weakening in sterling against the D-Mark would also pro-

latory burdles are awesome. Not least of them is Tokyo, where Vickers has valuable branch status and where no more than 10 per cent of a ple grounds for the market to rescurities firm can be owned by a strain any enthusiasm about these wase and raw material costs in its

sector, it is being tightly squeezed by British Leyland and a shift from heavy to light commercial vehicles Most ominously, imperted components have been having an impac on prices quite out of proportion to their volume sales, which remain veba

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relatively low.

Perhaps the kindest thing that can be said for the shares is that Lucas is at least emerging from its marathon slimming operation with net debt to shareholders' funds has moved from 47 to 42 per cent, in the meantime the shares are still yield. ing 8.3 per cent and the scope for potential recovery is undoubted...

British Foods of pursuing an extra vagant dividend policy. Its cover has always been unusually con servative even in an industry board ing its fair share of tight-fis ing its har share of againsted in nance directors. So yesterday's 17.3 per cent increase in the interim payment was something out of the ordinary, particularly as it coin-cided with the first fall in pretax profits which ABF has reported for

No-one could accuse Associated

The coincidence, however, helps to illustrate how the character of ABF has been changed by the dis posal of its investment in Premie Group. Withdrawal from Snith Africa deprives it of what was, for all the heavy capital investment and high gearing, an avenue of in-teresting long-term growth and leaves ABF looking more mature and - for the moment - less emit-

formed both the balance sheet and revenue account of the company. Having brought its currency for ward, ABF has been able progressively to convert the rand proceeds into £200m of hard cash. And to judge from yesterday's dividend, the money is not exactly burning a hole in its pocket.

* The absence of local minorities and a lower average tax charge should enable ABF to report some improvement in earnings per shan itself in stockbroking tweeds, but gins are no longer being nourished the shares on a prospective multi-its arguments may not convince a by lucrative sales to the after-sales ple of about 7 on actual tax at lest Ministry of Finance irritated that market. In the original equipment night's price of 152p.

budget plan to EEC

By John Wyles in Brussels

GREECE, as Presideot of the EEC Council of Ministers, yesterday circulated confidential documents asking member-governments to set January 1 1986 as the date for raising the legal limit oo the Community's budget reveoues and for expanding its membership to include Spain and Portugal

It seeks endorsement of a oew legal limit oo budget income of I.8 cut in redundancy as a condition for per cent of value-added tax - that is, 1.8 per cent of annual turnover in member states of a common basket of goods and services.

The EEC Commission has proposed increasing the limit from 1 per cent to 1.4 per ceot. The documents are part of the

presidency's bid for a breakthrough on EEC reforms during key talks starting in Athens tomorrow involving foreign, finance and agriculture

Without major progress by Saturday, the prospects for final agree-ments at the beads of government summit in the Greek capital early in December will be viewed as gloo

The proposals, prepared by Mr Grigorias Varfis, the Greek Minister for EEC affairs, do not include a possible solution to the British bud get problem. Britain is still at loggerbeads

with its partners over the basic approach to any tong-term deal and Mr Varfis wants to see bow much progress can be made this week be-fore working out a compromise. Some Community officials be-

lieve the Greek proposals may be assuming more consensus that actually exists oo the issues it ad-

The attempt to secure a commit ment to the simultaneous enlarge-ment of the EEC and a higher new legal limit on its budget revenue by the beginning of 1986 will be seen by many member-govern ments as premature.

Most of the Greek proposals deal with Common Agricultural Policy (CAP) reforms, and with the need for the Athens summit to deliver precise guidelines on new policies. The compromise on the dairy sec-

tor would not be as tough as the Commission's approach to curbing output. It would fix a higher production quota than the Comm ed, together with a special deal for Ireland. In an accurate reading of majori-

ty opinion, the Greek paper has no truck with British and Dutch demands to put a legal straitjacket oo CAP spending so that its annual growth is kept below the natural annual rise in the budget income.

Spanish steel, Page 2

Greeks put | Arbed Saarstahl workers get deadline for cuts agreement

BY JAMES BUCHAN IN BONN

THE BONN and Saarland governthe Arbed Saarstahl steel concern until noon today to accept financial sacrifices or see their company go into bankruptcy.

"There is oo room for manoeuvre. It is high noon," said an Economics

The Bonn Cabinet meets today
Ministry official after representato decide whether to put up its balf force yesterday again rejected de-mands that laid-off workers take a public aid to the company.

BY DAVID MARSH IN PARIS

MICHELIN of France, the second

largest international tyre maker,

which made large-scale workforce cuts after record losses of FFr 4bo (\$493m) last year, said last night

that its results improved in the first

half, although it will still be in the

In an interim statement the

group said its operating results

showed a clear improvement, with

cash flow turning "slightly positive" as of June 30, compared with the

Group turnover, including nearly all of Michelin's consolidated activi-

ties, rose 8.3 per cent to FFr 19.2bo during the first half, compared with

Financial charges showed a signi-

oegative cash flow in 1982.

the same period in 1982.

red for 1983.

ments yesterday gave workers at tion procedure, with equal particily 82 per cent instead of 90 per cent pation of management and labour of their redundancy. The creditor and an independent member. "It banks, who have offered debt relief

tives of the Arbed Saarstahl work of a DM 86m (\$32m) injection of force yesterday again rejected defunds to allow the concern, which is owned by Arbed of Luxembourg, to pay its next round of bills on Thurs-

cent of turnover on June 30, com-

The interim statement gave only sparse details, but it is still unusual

considering Michelin's normally ex-

treme financial discretion. The

statement gave no indication of the

net results in the first half. How-

ever, a spokesman said that the net

result for the whole year, while like-

ly to be significantly down from last

year, will still be a loss as the group

does not expect to return to equilib-

At the end of last year, Michelin's

performance had improved com-pared with the highly depressed first half of 1982. Michelin said that

this trend continued in the first half

rium before 1984-85.

ficant drop, amounting to 7.6 per of this year, as the first effects

pared with 9.1 per cent in June last

agreed to submit to binding arbitra- 5.000 workers retired early take on seems that they are looking for a way of saving face," one industry observer said in Saarbrücken.

freeze is no longer being set as condition, an official said. As meetings of the arbitration committee cootinued into the night, Herr Werner Zeyer, prime minist public aid to the company.

A glimmer of bope however, appeared for the concern when representatives of the 17,200 workers

day.

day.

The two governments have made self "very optimistic" that agreement could be reached before the moon deadline.

> worked through of the restructuring measures announced at the turn of 1982-83. These centred on a

redundancy programme involving

9.500 workers in France, Britain

The 1982 losses - the largest ever

made by a French company outside the steel sector - resulted in Michel-

in passing its dividend payment last

year for the first time in more than

The company has also announced

sidiary, Manufacture Française des

Pneumatiques Michelin, will short-

ly raise its capital to FFr 1.47br

from FFr 1bn to help to wipe out

Pirelli efforts to rescue Dunlop,

past losses.

that its main French operating sub-

end, the group's large U.S. Terez subsidiary applied for protection under Chapter 11 of the U.S. Bank-ruptcy Code.
Only the group's Brazilian and French subsidiaries continue to operate normally. M Patrick Massar Michelin still in the red after dy, director general of IBH France, said that the company had been dis-cussing with the French Government for a year the restructuring of improved first-half results

its activities and withdrawal from the IBH group. Mr Carlos Goes, sales manager of Terex do Brasil, said the company had a strong order book and was

operating profitably. We have been in contact with our suppliers and banks, but we feel that our situation does not require that kind of action (protection from

Herr Horst-Dieter Esch, founder and chairman of the IBH group, said at the weekend that he was putting together a restructuring plan that would call for the disposal of the French and Brazilian companies, and the transfer of Hymac's excavator manufacturing activity either to Terex in Scotland, or to Hanomag, an IBH subsidiary in

Under German and U.S. bankruptcy laws, he will be given time to orepare his proposal Poclain not interested in IBH,

Brazil package Bank rescue cheap at the price set to go ahead Continued from Page 1

Continued from Page 1

The fact that Brazil is likely to qualify for renewed IMF assistance should belp boost subscriptions to the \$6.5tm loan being raised by commercial bank creditors as their contribution to the \$11bn rescue

Banks have been reluctant to put up funds for this loan because of the uncertainty over the future of Brazil's IMF programme.

Some central bankers yesterday still doubted whether all 830 credi-

number to allow the IMF package

tor banks would subscribe to the toan by this Friday's deadline. The general feeling, however, is

that there is likely to be sufficient

Herr Friedrich Hengst, who died last summer aged 90, was seen as the "grand old man" of German prichange until his abrupt resignation last week. Among the noted public figures who are members of the Münchmeyer family is Frau Birgit

state of Lower Saxony.

oublic astonishment at news of the eank's plight has been all the greatsuggestions that SMH might have tent of the trank's exposure

Breuel, economics minister of the

While figures have not been machinery sales, failed to emerge. made public officially, SMH's lending to IBH and its subsidiaries is may thus be to make the banks the banks bad to stee in with their rescue operation.

the most active of private banks tale. West German banks have of-(with a balance sheet total last year of DM 2.2bn) but second to none in though they are heavily involved its tradition and prestige. The with traditional industrial custom-Schröder, Münchmeyer and Hengst ers, they do too little to support banking families were highly re-spected long before they got togeth-er in the late 1960s to form a single charge is that a bank has gone too far the other way.

It is an open secret that Herr Esch, now aged 40, canvassed a number of big West German banks vate benking. Count Ferdinand von Galen, senior partner at SMH, mar-ried into the Hengst family and was president of the Frankfurt stock ex-about building one of the world's about building one of the world's biggest construction machinery groups (which he did) was felt highly suspect. At last be seemed to strike gold in 1980 when he took over the faltering Wibau company from SMH and simultaneously won With so solid a background, the the bank as a shareholder in IBH.

There are still those who argue that the SMH-IBH relationship could have paid off handsomely bad not Herr Esch's expansion been overlending, not least to the IBH group in which the bank has a cession of the post-war period. But 7.5 per cent stake. But authorities it seems that the bank became so iovolved in the rescue operation say deeply involved that it could not they were amazed when the full ex- easily cut back its commitments, even when a strong economic upturn, and hence a boost to building

One possible effect of the debacle put at more than DM 800m - com- eveo more cautious in their lending pared with the bank's own capital to entrepreneurs than they already of DM 110m. The collateral origi- are. One certain effect will be to nally put up by IBH turned out to give a new impetus to demands for be too little to cover the gap, and speedy legislation forcing banks to the banks had to stee in with their consolidate the business of their Luxembourg subsidiaries in their There is one ironic element in the accounts.

By channelling part of its lending to IBH via its Luxembourg offshoot which is not open to scrutiny by West German authorities, SMH could boost its credit well beyond limits allowed under German law. There is a clear element of "we

told you so" about the Bundes bank's reaction to the SMH affair. The 1978 amendment to banking law tightened a lot of things at home, but it did not force the banks to consolidate the results of their "offshore" subsidiaries. Time and again the Bundesbank has since demanded that the legal loophole be closed, warning that subsidiaries can run lending risks which, de facto if not de jure, will eventually accrue to the German parent. There is, in fact, an agreement among Ep ropean central banks to tighten up

Successive Bonn finance minis ters have failed to move on the issue. Now the present incumbent, Dr Gerhard Stoltenberg, has drafted legislation which, especially in view of the SMH problem, may go through cabinet by the end of the

When it might finally become law, and its provisions begin to hite. is quite another matter since the banks are lobbying for long periods gradually to adjust their canitallending rates to the new rules.

The banks stress it could be calamitous to chop back lending suddenly, driving international customers into bankruptcy. It is not a bad argument - and one which SMH itself no doubt recognises only too

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World Weather



SECTION II - INTERNATIONAL COMPANIES

FINANCIALTIMES

Tuesday November 8 1983

MCA falls

quarter

By Terry Dodsworth

95 cents a share.

MCA, the U.S. records and films group which owns Universal Pic-tures, reported a 38 per cent fall in net earnings for the third quarter from \$74m to \$46.1m, or

The company blamed the profits fall on a mixture of lower earnings from the films division, which was boosted last year by the outstanding success of the film ET, and losses in the records and music publishing division. The latter has also made an operating loss for the first nine.

erating loss for the first nime months, thanks mainly to a third-quarter write-down on in-

rentories to currently estimated

Over the first nine months, net

profits amounted to \$123.3m, or \$2.54 a share, against \$136.9m in the corresponding period of last

Sales also reflected the down-

turn in films, falling in the third quarter from \$469m to \$407m, al-though for the nine-month peri-od they were up from \$1.15km to \$1.19km.

Black and

in surplus

Decker back

By William Hall in New York

BLACK AND DECKER, of the

group's chief executive, says the

company's results are improving "particularly in our-North Amer-

izzu, German and UK opera-tions." He notes that the compa-ny's financial health has been

\$85m equity offering during the

In its final three months, Black

and Decker's continuing opera-tions earned \$16m compared

with e loss of \$8m last year. For

the full year, carnings per share total \$1.02 compared with a loss per share of \$1.82 last year. Sales in the fourth quarter rose II per cent to \$278m but for the full

Loews income

at \$70m in

By Our Financial Staff

third quarter

LOEWS CORPORATION, the di-

versified U.S. insurance, ciga-

rettes and hotels group, yester-day reported third-quarter op-erating net profits up from \$61.4m, or \$5.18 a share, to \$69.9m, or \$6.33.

Realised investment losses of

\$10.2m made the final net in the

latest quarter \$59.7m, or \$5.41. This compares with \$46m, or \$3.88 a share, in the 1982 quarter, which includes investment losses

For the first nine months, op-

erating net profits rose to \$231.8m, or \$20.75 a share, from

\$155.7m, or \$12.8L Revenues rose

from \$3.58bn to \$3.99bn, with a contribution of \$1.29bn (\$1.21bn)

in the latest quarter.

Investment losses of \$34.3m made the final net income

\$197.Am, or \$17.68 a share,

against \$141.9m, or \$11.68, in the

1982 period, when investment losses were \$12.7m.

Canadian rail

of \$15.4m.

nei realisable values.



Veba has high hopes for profits recovery

VEBA. West Germany's biggest industrial concern, expects a profits recovery this year because of improvements in oil, chemicals and trading operations.

The group, in which the federal Government proposes to reduce its share stake, yesterday reported net profits of DM 224m (\$84m) in the first nine months of this year, 16.6 per cent higher than in the same recircled test were sale in January. The company's sale in January.

The profits revival, after a sharp setback last year, occurred despite a 3.8 per cent drop in sales revenue to DM 35.6bm in the first nine

a maintained dividend of DM 7.50 crude oil refining after the disposal per DM 50 share, as well as to of half its stake in its Ruhr refinery

The Bonn Government announced last month that it would reduce its 43.75 per cent stake in Veba initially to 30 per cent and later to 25 per cent. This is to be the

sale in January. The company's share price has been under some pressure since the announcement. trading yesterday at DM 185, compared with the year's high of DM 183.40.

sult would probably enable it to pay siderably reduced its losses in a maintained dividend of DM 7.50 crude oil refining after the siderably reduced its losses in per DM 50 share as well.

group, Petroleos de Venezuela. Taking account of other oil activities. Veba's oil division broke even during the third quarter of this year.

In chemicals, increased sales and structural changes have led to im-proved results, although price competition has hit the fertiliser

Results are also better in Veba's trading, transport and services division, while electricity generation produced stable earnings. Veba confirmed that it was plan-

ning to launch bonds with warrants on the Eurodollar market, but the volume and timing had not yet been

Shareholders earlier this year approved such capital raising up to the equivalent of DM 500m.

Sime Darby board comes under fire over land sales

BY WONG SULONG IN KUALA LUMPUR

DIRECTORS of Sime Darby, the Malaysian plantation-based conglomerate, have been fiercely critically minority shareholders for selling off large acreages of plantation land with development potential.

The Damansara and Seafield estates, just outside Kuala Lumpur, lay) financial institutions in January, Tun Tan said this was to maintain the level of Malay ownership in land with development potential.

oped by its own property division.

Last year, the group sold 901 hec-tares of its Damansara Estate to the Heavy Industries Corporation advanced for Sime to develop the of Malaysia for 89m ringgit (US\$38m), 144 hectares of Seafield Estate to the Employees Provident in partnership with two major property developers.

To questions regarding the issue of 61.7m new shares at 2 ringgit.

Tun Tan Siew Sin, Sime's chair-Shareholders at the company's man, said: It's not easy for Sime to annual meeting on Simday said turn down proposals from government statutory bodies, indicating ment statutory bodies," indicating that the company's major share-holders are also semi-government

> other half of Damansara Estate, which it still owns, into a township

The institutions are not allowed to sell their boldings for some time so as not to depress Sime shares, currently traded at above 26 ring-

Sime's paid-up capital is now 391.1m ringgit, comprising 783.3m shares of 50 cents each. Tun Tan also defended the board

U.S., the world's higgest manufacturer of power hand tools, has reported a turnround to profitafor the poor profit performance, down 47 per cent to 111m ringgit bility following a major restructuring of its operations. Net in-come for the year to September 25 totalled \$44.2m, compared with a loss of \$76.8m in its previpre-tax, in the last year, saying there was little anyone could do during a global economic downturn.
Prospects for the current year are ects for the current year are ons fiscal year. Mr Laurence Farley, the

Sumitomo suffers 24.5% fall

BY YOKO SHIBATA IN TOKYO

tric wires, cables and optical fibres, suffered a 24.5 per cent setback in pre-tax profits to VR 121. the half-year to September on sales of Y212.54bn, against Y207.59bn. The downturn is attributed to slack sales of communication cables to electric power companies and Nippon Telegraph and Telephone

Sales of optical fibres in the six months totalled Y7.5bn, compared with Y7bn for all of 1982-83, and

SUMITOMO Electric Industries, Ja- sales of electric wires to VCR, car better demand from car and hor

. The impact of slower cable sales together with higher labour and de-preciation costs reduced profits, but the company says earnings are recovering and points out that pre-tax profits, compared with those in the second half of 1982-83 show a 13 per

The company expects an improvement in orders for communication cables in the current half and

ment electric appliance manufacturers and the electric power industry. Full-year sales of optical fibres are expected to increase 2.6-fold to

> Total sales are expected to advance by 3 per cent in Y430bn; pre-tax profits are projected at Y14.5bn, up by 7 per cent, and net profits at Y8.5hn, unchanged from 1982-83. The company is paying an unchanged interim dividend of Y2.5 per share and will maintain the total at Y6.

year they were virtually un-changed at \$1.17bn.

The group reports volume growth of 16 per cent in its final quarter and price increases of 2 per cent, but these were reduced by negative effects of foreign currency movements.

Increase in net earnings for Barlow Rand for Esanda

By Lachien Drummond in Sydney ESANDA, the main finance subsidiary of the Australia and New Zealand Banking Group, increased net in narrowing overall margins in the year ended September 39. Sales increased by 20.7 per cent to R7.8hn (\$6.7bn) from R6.46bn earnings by 3 per cent from A\$37.91m to A\$38.96m (U.S.\$35.5m) in the year to September 30, despite a sharp rise in bad and doubtful

debt charges and a decline in profits in the closing half-year. Final-half profits came to A\$17.9m, compared with A\$19m proviously in the face of declining demand. demand, while bad and doubtful debt charges jumped from AS7.3m to A\$21.5m under the effects of recession. The rate of debt charges,

final half-year. The group's gross income in-creased by 6.7 per cent to A\$423m for the year, with total expenses up by 8.35 per cent to A\$351m, including a 2.4 per cent increase in inter-

lowever, declined to ASS.5m in the

est charges to AS262m.
The modest growth in interest charges reflected the decline in total borrowings from A\$1.91bn to A\$1.78hn over the year, and directors said yesterday the downward movement in interest rates on recent borrowings should feed

through in the current year. The level of new business written in the 12 months declined by 10 per cent to leave total net outstanding at year-end at A\$2.09bn, down by

4.6 per cent from A\$2.19hn.
The company expects it will be some time before a consistently increased level of demand for finance is established, and that earning margins will be under increasing

pressure from competition. • Email, the Australian white goods group, saw its cost-cutting efforts rewarded in the six months to September 30 with net earnings advancing by 12 per cent to A\$376m despite a 4.8 per cent decline in turnover to A\$179m.

The profit also compares with the A\$2.4m earned in the closing six months of 1982-83.

Steel losses setback

BY JIM JONES IN JOHANNESBURG

BARLOW Rand, the South African industrial and mining group, suf-fered a substantial increase in the losses incurred by its stainless steel division, which played a large part

while operating profits before interest and tax rose by only 5.5 per cent to R778.3 from R735.6m. Mr Mike Rosholt, chairman, says

that stainless steel start up costs were aggravated by market reces-sions at home and abroad. As a result, the stainless steel and ferro alloys division suffered an operating loss of R20m, against R3.7m a year

Mr Rosholt said the ferro alloys
An unchanged total dividend of operations themselves remained 70 cents has been declared.

profitable, despite a global industry frend of significant losses. This though was insufficient to offset the greater losses in stainless steel manufacturing. Difficult trading conditions are expected to persist for 18 months.

Despite the problems of stainless steel manufacture the group as a whole improved its profit perfor-mence in the second half of the financial year. This was due, Mr Rosholt said, to effective control of expenses and management of as-sets. With the exception of the stainless steel division, the group as a whole is expected to benefit strongly when the South African economy recovers in the second

half of 1984.

Plessey lifts stake in Scientific-Atlanta

BY PAUL TAYLOR IN NEW YORK

tions and defence electronics group, has lifted its stake in Scientific-Atlanta, the U.S. cable television and satellite equipment company.

The move marks a further extension of Plessey's North American interests. Last year the group paid \$50m to acquire Stromberg-Carlson, the U.S. telecommunications equip-ment manufacturer, from General Dynamics.

In January, Plessey announced that it planned to acquire 3m shares, or a 13 per cent stake in Scientific-Atlanta.

Under the terms of an agreement with Scientific-Atlanta - which inchided the setting-up of a joint venture to compete in the emerging En-ropean cable and satellite commu-nications market - Plessey also agreed not to increase its stake to

PLESSEY, the UK telecommunica- more than 30 per cent over an 18month period. As part of that agreement Plessey obtained an option to purchase 4.3m Scientific-Atlanta unissued common shares for \$26.50 a share. That option has yet to be exercised.

group ahead The latest share purchase, made in the open market, was disclosed in Securities and Exchange Com-By Robert Gibbens in Montreal mission filing. Plessey said it had bought 253,900 shares between Sep-THE federally-owned Canadian tember 19 and October 25 at prices between \$14.75 and \$17.50 a share. National Railway (CN) benefited from a more active economy in Together with an initial purchase of 258,300 shares made earlier this year, the latest purchase lifts Ples-sey's stake in Scientific-Atlanta to 512,200 shares, or about a 2.2 per

the first nine months of this year and reported operating net profit of C579m (US964m) compared with a loss of C545m a year earli-Third quarter cornings were cent. However, if taken together CS47.8m, against a loss of CS9.2m. After a CS73m tax credit, with the option, the Plessey group now controls the equivalent of a 19.979 per cent stake in the compafinal net income for the nine months was C\$152.8m.

TRUCK-MAKER'S FORMULA FOR WEATHERING THE ECONOMIC STORM

Flexibility is key for Paccar 38% in third

been profitable in the good times, we've been profitable in the had times and we aim to stay that way,"
says Mr Charles "Chuck" Pigott,
president of Paccar, builders of
Kenworth and Peterbilt trucks in the U.S. and Foden vehicles in Brit-

Since 1979, as demand for heavy tracks in the U.S. shumped by 56 per cent, sending some of Paccar's ri-vals to the brink of bankruptry and in the case of White Trucks, over the edge - Paccar remained firmly in the black.

Not that it remained unscathed: Not that it remaited unscatted: its pre-tax income dropped substan-tially, from 5117.8m in 1980 to \$45.4m last year. The secret of Paccar's survival,

according to Mr Pigott, is that "we had the ability to react more quickly than the others when the demand cycle changed for the worse." He also points ont that some of the U.S. companies which ran into difficulties - Mack, Freightliner, White, International Harvester either had other substantial interests or were owned by groups with major businesses outside truck-

But 80 per cent of Paccar's income comes from trucks. Last year they accounted for \$1.08hn of the \$1.23bn total sales (\$1.49bn out of

Income before tax contributed by trucks last year was \$37m (\$95m in

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT, IN LONDON WE DON'T want to be the biggest 1981) from a group total of \$45m trucks (over 33,000lbs - the sector in truck producers in the world. We've (\$115m). which it competes) to reach about Mr Pigott recalls that Paccar cut 83,000 this year, against 73,000 in

> plant at Vancouver, Canada, which needed investment to bring it up-to-date and where there had been

some labour problems. At the peak, 500 were employed at the Vancouver plant, but Paccar now believes ver plant, but Paccar now believes that it can supply the Canadian market by using exports from the U.S. to supplement production at its Montreal facility.

Minimal borrowings helped to protect Paccar from the high interest rates in the past three years, and it used its strong balance sheet (the 1989 weepend ratio, of current

(the 1982 year-end ratio of current assets to current liabilities was 2.61, compared with 2.45 in 1981) to widen the activities of its finance subsidiary. The move into such fields as insurance and leasing not only helped Paccar's profitability but supported its 200 U.S. dealers dur-

ing the recession.

Mr Pigott says that the truck business is picking up in most of shows no signs of an upturn and will not do so until next year. Paccar expects sales of Class 8 ada.

overheads sharply as the recession hit deeply in the U.S. In 1979, the workforce worldwide was 14,000. By workforce worldwide was 14,000. By the beginning of 1983 it was down of 179,000 Class 6 trucks.

Mr Pigott claims that Paccar has nearly 19 per cent of Class 8 truck the beginning of 1983 it was down

sales league behind International Harvester. However, Mack might contest that claim.

Registration statistics for 1982 showed 7.344 Kenworth trucks sold (10,379 in 1981) and 5,781 Peterbilt trucks (6,654), compared with IH's total of 18,972 (22,539) and Mack's 12,879 (17,776) in Class 8. Faced with uncertain prospects

in the first part of this year, Paccar intended to cut capital expenditure from \$23m last year to \$9m. But the improved outlook has enabled the company to put back into the programme those items which were to be axed, and the 1983 expenditure will now again be about \$23m - annther example of the company's flexible approach.

Mr Pigott suggests that U.S. heavy truck demand will not get back to the 1979 levels again in the 1980s and that there will also be sharp variations in the demand cyerates. Only Mexico, where Ken-worth trucks are built by a 49 per looking for further manufacturing cent-owned associate, Vilpac, as yet investment outside the U.S. – it is the UK, as well as Mexico and Can-

The Middle East and Africa are the preferred areas, existing compe tition is too tough in continental Europe, which is the higgest heavy truck market outside the U.S. for Paccar to contemplate manufacture

Mr Pigott and the rest of the Paccar directors are in Britain as part of a tour of the company's facilities nutside the U.S.

Today they will visit the Foden plant at Sandbach, Cheshire, which Paccar acquired at the end of 1980 along with other assets of the nid Foden company after its financial

Paccar paid £18.3m (\$27.2m) for the Foden assets and Mr Pigott, while nnt being unreservedly en-thusiastic about the purchase, says cautiously that Foden has a "promising" future.

In particular, the new lighter weight trucks that Foden has devel-oped have considerable export potca, he believes.

U.S. and British engineers worked together on the new Foden range, called the S10, and Paccar might use the suspension system they developed in the U.S. as well as in Britain.

Foden was profitable last year although Mr Pigott will not reveal how much it made - and Paccar believes the company can remain already present in Australia and profitable while gradually building up output from the current 1,000 a

Court action drops curtain on Carrian

A HONG KONG high court indee HK\$145m and US\$84m. Bank Bu- any reasons why the Carrian com- designated provisional liquidator of yesterday ordered the winding up of the main companies in the property group Carrian, Carrian, together with companies controlled by its chairman, Mr George Tan, has debts estimated at US\$1.2bn, and is month that most of the bank's loans

Hong Kong's largest bankruptcy.

The winding-up petition against
Carrian Investments, the group's
main publicly quoted vehicle, was
brought by Bankers Trust in respect of a debt specified at HKS90m and its assets will be placed in the
first specified at HKS90m and its assets will be placed in the spect of a debt specified at HK\$90m and its assets will be placed in the (US \$11.5m). Shares of Carrian Inhands of liquidators who will try to vestments have been suspended on realise the best possible return for

nance, Hong Kong subsidiary of tions and obtained preliminary Bank Bumiputra Malaysia, which court hearings. Yesterday was an claimed two outstanding debts of opportunity for the court to hear of

miputra is thought to be the largest Carrian creditor, with loans of HK\$4.6bm outstanding, but lawyers prosecuting Mr Tan on theft charges told a bail hearing last

Provisional liquidators had al-

Carrian Holdings, the unquoted ready been appointed to Carrian In-parent company of Carrian Invest-vestments and Carrian Holdings ments, was wound up on the petition of Burniputra Malaysia Fibanks issued their winding-up peti-

panies should not be wound up. The hearings were brief and un-

contested. The court confirmed the appointment of three partners in the accountancy firm of Arthur Young as liquidators of Carrian Investments. A liquidator has yet to be agreed, however, for Carrian Holdings. Bumiputra Malaysia Finance had originally asked the high court to

firm, the accountants Touche, Ross, as provisional liquidators of Carriisfaction among certain other creditors, partners of another accoun-

At yesterday's court hearing the level of premiums it receives Hong Kong's official receiver was through its acquisition.

Carrian Holdings, and the two accountancy firms' partners were designated special managers. Creditors are expected to meet in about two weeks' time to seek agreement on whom they would like to see confirmed as liquidator.

Hong Kong's official receiver has already sold off the long-term Hong Kong business of China Underwriters Life and General Insurance Company, a subsidiary of Carrian appoint pariners of its own auditing Investments. The official receiver was appointed provisional liquidana Underwriters business was Sen-try Insurance, the U.S. mutual intancy firm, Ernst and Whinney, were appointed joint provisional limake a further payment based on

November 1983

All of these bonds having been said, this annuuncement appears as a matter of record only. New Issua



The Council of Europe Resettlement Fund for National Refugees and Over-Population in Europe

Fonds de Réétablissement du Conseil de l'Europe

pour les Réfugiés Nationaux et les Excédents de Population en Europe

Strasbourg/Paris DM 150,000,000 81/4 % Bearer Bonds of 1983 (89-93)

Berliner Handels- und Frankfurter Bank

Bank für Gemeinwirtschaft Aktiengesellschaft

Bankgesellschaft Bayerische Vereinsbank Aktiengesellschaft Bayerische Landesbank Girozentrale Commerzbank

Delbrück & Co

Allgemeine Elsässische

Deutsche Girozentrale -Deutsche Kommunalbank-

Bankhaus Gebrüder Bethmann

Georg Hauck & Sohn Bankiers Kommanditgesellschaft auf Aktien Landesbank Rheinland-Pfalz Norddeutsche Landesbank

Vereins- und Westbank Aktiengesellschaft.

Deutsche Bank Dresdner Bank

Hessische Landesbank - Girozentrale - .

Merck, Finck & Co.

Sal. Oppenheim jr. & Cie.

M. M. Warburg-Brinckmann, Wirtz & Co.

Westfalenbank Aktiengesellschaft

Abu Dhabi Investment Company Arab Banking Corporation (ABC) Banque Indosuez

Crédit Commercial de France Genossenschaftliche Zentralbank AG-Vienna Kuwait Foreign Trading Contracting & Investment Co. Algemene Bank Nederland N.V. Banca del Cottardo Banque Internationale à Luxembourg S.A.

Creditanstalt-Bankverein The Industrial Bank of Japan (Luxembourg) S.A. Pierson, Heldring & Pierson N.V. Al-Mal Group Banque Bruxelles Lambert S.A.

Banque Nationale de Paris

Daiwa Europe Limited Kredietbank International Group

Bayerische Hypotheken- und

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Deutsche Siedlungs- und

Bankhaus Hermann Lampe

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Westdeutsche Landesbank

Landesrentenbank

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Société Générale

Swiss Bank Corporation International Limited

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U.S. \$20,000,000 6 per cent. Guaranteed Convertible Bonds due 1993

> convertible into 16,000 Bearer Participation Certificates "tranche B" of Sfr. 500 each of, and guaranteed by



Issue Price 100 per cent.

Swiss Bank Corporation International Limited

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NEW ISSUE

This announcement appears as a matter of record only.

October 1983

A wholly-owned subsidiary of

BOUYGUES

(France)

has acquired through merger

HDR, Inc.

We initiated this transaction,

assisted in the negotiations and acted as financial advisor to

Bouygues.

CITICORP

CAPITAL MARKETS **GROUP**





has acquired through merger

Energy Minerals Corporation

The undersigned initialed this transaction, assisted in the negotiations and acted as financial advisor to Weeks Petroleum Limited

Investment Bankers

1500 South Tower Pennzoit Place Houston, Texas

November 7, 1983

NORDIC INTERNATIONAL FINANCE B.V. U.S.\$40,000,000 Guaranteed Floating Rate Notes 1991 ed besis as to payment of principal and interest by



NORDIC BANK PLC

For the six months 9th November 1983 to 9th May 1984 the Notes will carry an interest rate of 104% per annum with a Coupon Amount of U.S.\$259.10 per U.S.\$5,000 Note, payable on 9th May 1984

Bankers Trust Company, London Principal Paying Agent

NOTICE TO DEBENTURE NOLDERS OF NATCAN REALTY CORPORATION LTD./ NATCAN LITEE S30,000,000 MATURITY DATE FERNARY 15, 1990

address of the principal paying agent is: National Bank of Canada 600 La Gauchethre West Montréal (Québec) CANADA Hãe 4L2

TRUST GEMERAL OU CANADA

Statsforetag Poclain will not take in profit over French IBH units at eight months

BY DAVID MARSH IN PARIS

STATSFORETAG, the Swedish state-owned holding group now emerging from an extensive restructuring, has reported a profit after net financial costs of SKr 235m (\$29.9m) for the eight months to end-August, compared with a loss of SKr 145m at the same time last year. Excluding units sold to the Swedish Government late last year sales were 10.5 per cent higher at SKr 7bn.

bigher at SKr 7bn.

The group predicts its yearend profit after net financial
costs but excluding expected
extraordinary gains will be
about SKr 400m.

The eight-month operating
result after depreciation more
than doubled to SKr 404m and
net interest costs declined by

net interest costs declined by SKr 107m to SKr 136m. This was attributed almost entirely to interest on the SKr 2.4bn received from the Government on the sale of two loss-making companies, ASSI (pulp and paper) and LKAB (mining).

Exchange losses were halved to SKr 35m and pre-tax profits climbed to SKr 368m after extraordinary items of SKr 133m. About one-third of this was related to previous govern-

ment aid.
The sale of ASSI and LKAB removed two of the groups' (\$107m) in the helf-year to Septem-higgest headaches, but several her 30.

The upsurge in earnings arose

Elser textiles.

Improvements were noted in the petrochemicals units Berozo and Berol Kemi, but in the case of the latter this stemmed largely from loan write-offs and the write-down of fixed assets. Kahivitrium, the hiomedical unit, reported a four-fold gain in earnings to SKr 120m.

During the personal computers. Net profits were 13.4 per cent higher at Y14.28hn, against Y12.59hn, on sales of Y367bn which were 15.5 per cent ahead of the Y317bn for the previous year.

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Net profits were 13.4 per cent higher at Y14.28hn, against Y12.59hn, on sales of Y367bn which were 15.6 per cent ahead of the Y317bn for the previous year.

The bulk of Statsforetag profits, SKr 343m, was generated by the state tobacco monopoly within the Procordia unit.

Ballast Nedam warns of drop in 1983 net

By Our Financial Staff

BALLAST NEDAM, the Amsterdam-based construction and dredging group, has warned of a drop in profits for 1983 to FI 16m (\$5.35m) from 1983 to F1 lem (\$5.50m) from last year's F1 29m, on turnover which is expected to decline to F1 25m. In a statement yesterday, the group blamed the slowdown in work that has hit its overseas the statement yesterday, the group blamed the slowdown in work that has hit its overseas the statement which has

subsidiaries, and which has caused a corresponding slow-down in activities in the Netherlands too.

The company says its fore-

casts for 1983 are based on "the realistic assumption that important new contracts will be acquired in the near future."
Without counting in these prospective new orders, it says. the outlook for the year would be significantly worse. The company's statement also

referred to the need to "adapt the size of parts of the organisation"—an apparent alinsion to the need for possible job cuts since it added that consultations would take place with works council representing employees.
Ballast Nedam said that this
prospect had arisen despite prospect had arisen despite several positive developments, including the return of the dredging division to profit-ability for the first time in several years, leading manage-ment to believe that a recovery is likely in sales and profits

next year. Reuter adds from Mannbeim-Bilfinger und Berger Bau is seeking new financing for the foreign currency portion of a highway construction project in Iraq because of the Iran-Iraq

war.
Bilinger earlier said profits
this year will be satisfectory,
reporting that in the first nine months construction work com-pleted was 22.4 per cent down at DM 2.60n with the overseas element down by 33 per cent to DM 1.72bn.

that it had no interest in taking over any of the French subsidiaries of IBH, the German building machinery company, which last Friday filed for court protection from its creditors.

The affirmed intention of Herr Horst Diete-Esch, the founder and chairman of IBH, to ahed the company's French plants as part of a sweeping restructuring plan is likely to cause still more difficulties for the French Government.

For well over a year the Industry and Finance Ministries have been struggling to shore moving business hit by over capacity, drastic Japanese company, drastic Japanese compensate compensate in this year, and is still a petition, and shrinking demand. The Government has not yet reacted to the IBH announce underlined by the bankruptcy ment, but it would be logical for officials to try initially to find partners for the subsidiaries among the rest of the country's equipment makers.

Poclaim itself, which has undergone large workforce cuts over the past two years, is still this year is likely to be at least in with its strategy of pruning hack, its business and concentrating on key product lines.

POCLAIN, the leading French up financially e number of con-construction equipment manustruction equipment makers and facturer, yesterday declared other companies in the earth-that it had no interest in taking moving business hit by over-

. The country's second largest

The country's second largest equipment manufacturer, Richier, had to be rescued in a government inspired package earlier this year, and is still a long way from recovery. The generally depressed climate was underlined by the bankruptcy last month of Albaret, a leading specialist earth-moving company, which found it was unable to shed ataff fast enough to compensate for the recession.

Office automation boom lifts Sharp profits in first half

BY YOKO SHIBATA IN TOKYO

SHARP, one of Japan's leading sales of video cassette recorders, up nancial income rose by 20 per cent belectrical appliance manufacturers, by 40 per cent in value, helped boost in Y7.2hm, allowing for the Y500m costs of issuing of a Swiss francial income rose by 20 per cent in Y7.2hm, allowing for the Y500m costs of issuing of a Swiss francial income rose by 20 per cent in Y7.2hm, allowing for the Y500m costs of issuing of a Swiss francial income rose by 20 per cent in Y7.2hm, allowing for the Y500m costs of issuing of a Swiss francial income rose by 20 per cent in Y7.2hm, allowing for the Y500m costs of issuing of a Swiss francial income rose by 20 per cent in Y7.2hm, allowing for the Y500m costs of issuing of a Swiss francial income rose by 20 per cent in Y7.2hm, allowing for the Y500m costs of issuing of a Swiss francial income rose by 20 per cent in Y7.2hm, allowing for the Y500m costs of issuing of a Swiss francial income rose by 20 per cent in Y7.2hm, allowing for the Y500m costs of issuing of a Swiss francial income rose by 20 per cent in Y7.2hm, allowing for the Y500m costs of issuing of a Swiss francial income rose by 20 per cent in Y7.2hm, allowing for the Y500m costs of issuing of a Swiss francial income rose by 20 per cent in Y7.2hm, allowing for the Y500m costs of issuing of a Swiss francial income rose by 20 per cent in Y7.2hm, allowing for the Y500m costs of issuing of a Swiss francial income rose by 20 per cent in Y7.2hm, allowing for the Y500m costs of issuing of a Swiss francial income rose by 20 per cent in Y7.2hm, allowing for the Y500m costs of issuing of a Swiss francial income rose by 20 per cent in Y7.2hm, allowing for the Y500m costs of issuing of a Swiss francial income rose by 20 per cent in Y7.2hm, allowing for the Y500m costs of issuing of a Swiss francial income rose by 20 per cent in Y7.2hm, allowing for the Y500m costs of issuing of a Swiss francial income rose by 20 per cent in Y7.2hm, allowing for the Y7.2hm, allowing for the Y7.2hm, allowing for the Y7.2hm, allowing for the Y solidated pre-tax profits to Y25.12bn (\$107m) in the half-year to Septem-

clude the SMT machinery from strong seles of office automation equipment, especially word forest equipment company, and Eiser textiles.

Net profits were 13.4 per cent high-

During the half-year, Sharp's sales of electronic equipment rose by 24.6 per cent to account for 33 per cent of the turnover. Vigorous

The company's mainstay, its industrial equipment and electronics components division, also saw a good increase in sales. These rose by 18.5 per cent, to account for 34.8 per cent of the total, with good sales of personal computers and doubled es of word processors.

Sales of domestic electrical appliances and solar neating systems rose by 10.1 per cent to account for 20 per cent of turnover.

Sharp's exports were up strongly by 18.8 per cent to 56.6 per cent of total. Domestic sales rose by

11.5 per cent.
Higher earnings more than covered increased research and development and capital investment expenditures. The company's net fi- company officials.

In the current half-year, the growth in sales of VCRs and office automation equipment is expected to continue. Full-year sales are fore-cast to reach Y750bn, up by 16 per cent from the previous fiscal year. Pre-tax profits are projected at Y52bn, up by 14 per cent, and net profits at Y29bn, e rise of 10 per cent. The second-half dividend is forecast at Y5 for a Y10 total.

Tokyo - Mitsubishi Electric is to increase research and developmen spending to Y80bn in the year ending March 31, 1984, from 74bn (\$340m) in 1982-83, according to

Sulzer headed for loss this year

BY JOHN WICKS IN ZURICH

first loss since 1935. In an period from SwFr 2.7bn to an diesel engines and weaving interim report, the Winterthurbased concern says that both it is expected to reach last year's affected by aluggish demand. In the parent company and the level of SwFr 3.7bn for the marine diesel field, Sulzer group as a whole will show a year as a whole.

The renow saws that both the parent company and the level of SwFr 3.7bn for the marine diesel field, Sulzer group as a whole will show a year as a whole.

The renow saws that both the marine diesel field, Sulzer group as a whole will show a year as a whole. SULZER BROTHERS. the have dropped "substantially."

Last year, group earnings had dropped by 6 per cent to SWFr 30m (\$13.8m) despite a 9 per cent rise in consolidated sales to SwFr 4.42bn. The board deci-ded to cut dividend from 10 to 8 per cent in respect of 1982 after parent-company net profits had fallen simultaneously by 17

per cent to SwFr 27.2m.

on investing overseas

DANES are to be given unrestricted rights, (for the first time since 1931), to buy shares in foreign companies. This will take effect from January 1 1984, according to Ib Stetter, the Industry Winters.

dustry Minister.

The new measures will bring
The measure will be one of
the last steps in a gradual
liberalisation of portfolio investtives.

Foreigners were permitted to in other foreign shares, but all invest in Danish shares and new investment in either shares bonds again, in 1974. In 1978 or bonds was stopped.

BY HILARY BARNES IN COPENHAGEN

increasingly, to clerical and service staff.

Orders are said to have been

though restructuring pro-

has increased its world market. The report says that business share thanks to the success of bas suffered from weak demand the "RTA", line, though most for capital goods. Falling use new orders have been for far of capacity in group factories. Eastern licensees and not for has led to an increase in short the group's own plants which time working in Switzerland serve the important European itself, which has been extended, market.

Meanwhile positive synergy effects are said to have resulted from the integration of the per cent to SwFr 27.2m. looking up in recent weeks, with former Maschinenfabrik Rueti
In the first nine months of a corresponding improvement affiliate in the textile-machinery
1983, group turnover is said to in employment prospects, sector.

Denmark lifts restrictions to step down

PARIS—Yves Flornoy, president of the Paris Stockbrokers' Association, will not seek re-election when his term expires

at the end of this year.

Commenting on his decision

M Flornoy, who has headed the
association for the last eight
years, feels a new personality is needed to take charge
of implementing reforms of the
erchange.

for the proposed Continuous Quotation System to be fully operational, he said. The system will allow investors to

in the first 10 months of this year, M. Flornoy said the market's performance was "relatively modest" compared with some other exchanges.

Bourse chief

exchange.
It will take at least five years.

system will allow investors to see what the market is doing through Videotex terminals in banks and stockbrokers offices.

In regard to the bullishness of the Paris Bourse, where prices rose about 40 per cent

SEC to vote on shelf issues rule

ment by foreigners in Denmark and by Danes abroad, over the

One of the few restrictions left after January I will be that preventing Danes from investing in commodity and financial futures markets abroad, according

ing to an Industry Ministry offi-

dustry Minister.

past ten years.

THE U.S. Securities and register proposed debt and critics forsaw, led to a greater about some fundamental. Exchange Commission (SEC) is equity issues with the SEC concentration of power in the changes to the market. In the decide this week on then bring them to market hands of the highly capitalised by whether to extend, abandon or change Rule 415—the so-called settled down.

The commission (SEC) is equity issues with the SEC concentration of power in the changes to the market. In the changes to the market in the change and the concentration of power in the changes to the market. In the change and the change are concentration of power in the changes to the market. In the change it has enabled big by well street firms—it has firms like Salomon Brothers to generally received a favourable connection of power in the changes to the market. In the changes to the market in the changes to the market. In the changes to the market in the changes to the market in the changes to the market. In the changes to the market in the whether to extend, abandon or change Rule 415—the so-called shelf registration rule—which allows corporations to sketch out future financing plans and then bring an issue to market at a moment's notice.

The controversial rule, the market to date.

basis but subsequently extended expires at the end of this year.

On Thursday the SEC will bold a public open meeting at which the SEC commissioners are expected to voice their views and then vote on the issue.

Before them will be an as yet.

The market to date.

In the first seven months this more so as corporate treasurers and Wall Street edvisors have made covering securities and Wall Street edvisors have realized that a large "over-realized that a large "over-realized that a large "out on the shelf" can act as a strong depressent for a company's share price.

By cootrast 55 shelf registra-

However that criticism has market feature of the early become somewhat more muted While the rule has, as its the 415 experiment. as the use of the procedure, under which companies can The shelf rule has brought would support such a change.

The controversial rule down off the shelf "an originally introduced on a trial the market to date.

It will also establish the conditions for a free Nordic

market in share investments, but this will require changes in

Norwegian, Swedish and Fin-nish capital movement restric-

tions before it can be realised.

In 1931 Danes with portfolios

of foreign shares were allowed to retain them and to re-invest

views and then vote on the issue.

Before them will be an as yet, undisclosed recommendation from the SEC staff which has been reviewing the workings of the rule.

The shelf registration procedure initially met fierce opposition from the Securities Industry Association and many of the leading Wall Street investment firms.

By cootrast 55 shelf registration proceduring the first five months of the rule's operation covering about \$8.88bn. In addition the relatively slow pace of the debt markets, especially since the start of the by the end of last year 277 second quarter, compared to the registrations worth \$51bn had second half of 1982, has temporated into about one out of every two the market during "interest new debt issues brought to rate windows" and were expected.

generally received a favourable corner more deals, but it has reception from corporate also led to thinner underwriting margins because of heightened competition among become somewhat more selective. While debt issues baye feature, they have become even more so as corporate treasurers. For corporations that has led to thinner underwriting margins because of heightened competition among the market's major players. For corporations that has led to thinner underwriting margins because of heightened competition among the market's major players. The primary losers have been the smaller regional securities firms squeezed out of the syndi-cation business often because the hig firms, needing to move a new issue first to minimise risk, have sold directly to insti-

tutional buyers.

To broaden the participation. In addition the relatively of the smaller firms, several refinements to the existing shelf procedure have been sug-gested, including an enforced delay on equity issues which would enable underwriters to put together syndicates—as they-do under normal registrations, about one out of every two the market during the more of the early stages of Barbara Thomas, an initial critic of the rule, has said she

Pirelli . eyes parts of Dunlop France

By Our Paris Staff

PIRELLI, the Italian tyre company, is the latest international rubber group to become embroiled in efferts stricken French subsidiary of Britain's Dualon group from

Adding to the long list of tyre companies — including Michelin, Goodyear, Firestone and Continental Gummi—already involved in the Dmilep saga, Pirelli is thought to have declared its interest in taking over some of the more profitable parts of the French subsidiary.

Werried by the prospect of heavy redundancies, the French Government is trying to find a buyer for Dunley France, which is now operating under the supervision of court-appointed receivers after its decision to file for bankruptcy last month.

But both Michelin and Goodyear, two leading contenders favoured by the government and unions to take over at least part of Dunlop's activities, have firmly declared they are not-

More than 5,500 jobs in Dunlop's five French plants —as well as many thousands more in sub-contractors—are at risk as a result of the agreement in September for Sumitomo Rubber of Japan to buy Duniop's British and German tyre and rubber interests but not the French

For the moment Dunlop is ror the moment Dusing is still operating at near-normal production levels. Staff have been assured that salaries will-he paid at least until the end-of the year. After that, the risks of lay-offs will increase unless a new industrial

The Government, for the time being at least, is sticking to its line of aiming for an overall buyer for all Dunlop's activities, which isclude manufacture of tennis balls and other sports equipment, rubber wheels, matresses and types matresses and tyres.

matresses and tyres.

Indicating that Pirelli's interest would meet only a lukewarm response. Dunlop France said yesterday:

"Nebody can stop people making propositions."

Emergency financing by Dunlop's main banks, led by Credit Lyonnais, the country's No. 2 commercial bank, is being organised by Chri, the Government's intervaluisterial committee to aid companies in difficulties. The Government is particularly locen to keep Dunlop France alive because only last year It helped arrange a large-scale financial rescue for the company involving support both from the banks and the parent Dunlop concern.

Officials feel that by cutting the French subsidiary adrift from the rest of the group, Dunlep's London man-agement has not played its fair share in efforts to save the company.

ENERGY SEARCH ONE N.V.

NOTICE OF POSTPONEMENT OF ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO the Shareholders:
NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders of Energy Search One N.V., which had been previously schedules for November SC, 1935, bas had been previously schedules for November SC, 1935, bas had been previously schedules for November SC, 1935, bas had been previously schedules for November SC, 1935, bas had been previously schedules and will now be their at the Offices of the Company at On Reptrakade, 26-A. Caracao, Netherland, Aviilles, on February 24, 1984, at 10.00 o'clock in the Sorenoon, for the following perposes:

A- To peproses:

us produce this receipt at the medical.

Fabruary 15, 1984, is the recent date for the surrous of determines therefolders entitled to room register at this Annual General Meeting of Surrelegister of business on the surrelegister of the surrelegister of business on the surrelegister of the surrelegister

A.B. Foods Junion down by £3.9m at

AFFECTED BY the sale earlier this year of its 52 per cent interest in the South African Premier Group pre-tax profits of Associated British Foods, the Twining, Sunblest and Fine Fare group, fell by £3.9m to £54.9m for the half year ended October 1 1983.

from Premier, at f12.4m, were included for a three-month period and compare with f22.6m previously which covered six months. However, the proceeds from the sale boosted group investment income from £1.8m to £7.9m for

income from £1.5m to 24.5m 101; the opening balf.
Earnings rose from an adjusted 7.7p to 8.4p and the first interim dividend is being effectively increased from 1.3636p to 1.6p net per 5p share—not less than 1.5p was forecast last June.

not less than 1.5p was forecast last June.

First-half group turnover, excluding Premier, expanded from £1.17bn to £1.29bn and at the trading level there was a surplus of £37.6m, which maintained the high level achieved last year. After interest charges of £3m (£2.9m) group profits, excluding Premier, were marginally higher at £34.6m (£34.4m).

In his interim report Mr Garry Weston, group chairman, says that in the UK sales increased overall by 8 per cent with a 12 per cent increase being achieved by the retail division, offset by a reduction in turnover by the grain merchanting rompanies.

Profits in the UK, at £24.7m, compare with £23.9m and while increases were achieved by the retailing divisions, and there was some improvement in the pro8tability of the other manufacturing sectors, profits in the baking division were lower due to the incidence in the period of public holidays and continuing pressure on margins.

Mr Weston adds that although

of public holinays and continuing pressure on margins.

Mr Weston adds that although the major milling and baking divisions are unlikely to echieve increased earnings for the full year due to increased costs and heavy competition, group trading profits are traditionally bigher in the second tionally higher in the second

half.
The UK retailing divisions turer of precision engineering components, to reduce pre-tax losses by £54,000 to £13,000 for the full year to July 31 1983.

The group is returning to the dividend list with a first and final payment of 0.4p net—loss per 10p share for the year emerged at 0.34p (0.57p). Turnover declined from £5.35m to £5.04m.

Tax took £2,000 (addedhave made a satisfactory start to the year, and the chairman is "cautiously optimistic" about their results for the full year.
Sales of the group's overseas divisions increased by 15 per cent over the first six months but profits, at £9.9m were £0.6m

Group tax for the half year Tax took £2,000 (added £35,000) and extraordinary debits accounted for £151,000 (£176,000)..... took £16m (£19m) of which the overseas contribution was down from £12.7m to £9.4m. Below the line minorities accounted for E.5.4m (£9.1m) to leave attributable profits at £33.5m (£30.7m) before extraordinary debits of fi.1m (£1.2m).

A.B. Foods ultimate holding company is Wittington Investments.

A.B. Foods ultimate holding company is Wittington Investments.

See Lex

midterm

A TURNROUND of £20.9m to losses of £17.2m in the automotive division has left Lucas Industries, vehicle and aircraft accessory manufacturer, with taxable profits sliding from £20.2m to £2.1m for the year ended July 31 1983.

A first-half deficit of £5.2m A first-half deficit of £5.2m (£7m profit) was wiped out with a surplus of £7.3m in the second six months, but this was still well down on the £13.2m for the comparative period in 1982.

The dividend for the year is maintained, however, at 8.6 net per £1 share with a symmetric.

per f1 share with a same again final distribution of 6p. After tax of £12.3m (£14.2m) there were losses of 13.5p per share, against earnings of 4.1p.
Sales were unchanged at £1.22bn and with pre-tax profits were split as to: eutomotive £967.8m (£976m) and £17.2m loss (£3.7m profit); serospace £255m (£270.6m) and £15.4m profit (£13.9m); industrial £111.2m (£113.2m) and £3.9m (£2.6m).

Corning down

show a significant improvement They expect profits for the year to be assisted by lower interest charges and exceptional

There is no charge for tax, compared with £43,000

A £127,000 swing into the black in the second six months enabled W. A. Tyrack, manufac-turer of precision engineering

W. A. Tyzack

Friday's edition.

halfway but optimistic

Having looked at the state of the equity market yesterday Lex moves on to consider the main City news of the day. Citieorp has reached agreement with stockbrokers Vickers da Costa to take a 29.9 per cent stake in the London firm for around £20m. Lex puts this latest move into the context of similer relationships struck in the Square Mile recently. On the corporate front Associated British Foods produced its half year report showing profits of £54.9m after selling its 52 per cent stake in South African Premier Milling. Elsewhere Lucas Industries saw its profits plunge yesterday from £20.2m to £2.1m for the full year. The dividend payment, however, is being maintained to the detriment of reserves.

Lucas slumps by £18m to £2.1m

(£113.2m) and £3.9m (£2.6m). to make further cuts in the group's UK manufacturing same figures shows: UK companies £769.8m (£790.4m) and £17.6m loss (£3.4m); overseas subsidiaries £447m (£429.9m) and £20.5m profit (£20.4m); associate companies £147.2m (£139.5m) and £0.8m loss (£3.2m profit).

(£139.5m) and £0.8m loss (£3.3m final injection equipment business, in France and Spain, there were very good pertive sector—of the £17.2m loss,

redundancy costs accounted for f14.2m—directors say that in the UK demand for original equipment did not pick up until the second half, and there has been little indication of a recovery in the aftermarket.

As a result, is was necessary to make further cuts in the group's UK manufacturing facilities and, after redundancy and closure costs, the UK loss amounted to f33.1m.

The Europa however the Carello, in Italy, made good

Carello, in Italy, made good progress with substantially higher sales and profits.

hed a disappointing year overall with profits falling 25 per cent to 29.7m. Results in per cent to 29.7m. Results in the U.S. were particularly poor and reflected the collapse in the demand for diesel cars.

UK results in the aerospace division reflected the lower demand for equipment for both civil and military aircraft—particularly the rundown of the RB211 powered TriSter programme and the stretching out of the Tornado programme. KCA Intnl.

NUMBER of factors bave ron-

tributed to a downturn in pre-tax profits at KCA International.

oil finance house, in the six months to June 30 1983.

No Interim dividend is being paid—last time a payment of 2.75p net was made, but no final dividend was paid.

per cent.

A circular detailing the acquisition of interest in Candecca Resources, and the proposed change of name to Bristol Oil and Mineral has been issued. An extraordinary general meeting will be beld no November 30.

The New Bristol Oil will be a

very different animal from the old KCA. Having disposed of the drilling interests (cleaning up the balance sheet in the process) and bought into Candecca.

comment

as profits

gramme and the stretching out of the Tornado programme. Subsidiaries in the U.S., Canada and Australia all performed well, however, and whils the results of the German partnership, Pierburg, ware greatly improved, there were lower profits from the French partnership company. Thomson-Lucas.

Share of losses of associates were £0.8m (£3.2m profits), interest took £24.6m (£27.5m) and the pre-tax figure was after redundancy and closure costs

and the pre-tax agure was after redundancy and closure costs totalling filsm (fils.im).

After minorities, fl.sm (film), and an extraordinary debit last time, fl.sm, the attributable figure was a filsm loss, against a film surplus. Dividends will absorb film.

(same).
Total net borrowings, at the year end, were down from £206m to £177.5m.
See Lex

Electrocomponents up 18.9%

AN INCREASE of 18.9 per cent in profits before tax from \$3.3m to £9.9m has been shown by Electrocomponents for the six months to the end of September 1983. Sales of this distributor of electrical components expanded from £45.28m to £55,000 against £785,000. There were bigher exceptional debits which could drag on to next spring. Thankfully the trading were related to the move of £72.44m.

The net interim divided bas been lifted from 1p to 1.3p. In the last full year a total of 3p was paid from pre-tax profits of £17.44m.

Exceptional costs for the year are expected to total £745,000. There has been more or the six months increased from 49 to 4.78p.

Commenting on the period under review, the directors say that figures show further growth in sales and profits. Marketing conditions affecting the U.S. subsidiary, Mesa Technology Corporation, continue to improve and a profitable full year is anticipated. There has been Electrocomponents can reelly to £22m Despite lower pre-tax profits of £1.11m against £2.48m for the 28 weeks to June 19 1983, the directors of Corning expect the profit after tax for the year to

Items. Sales of this glass manufac-turer, which is ultimately held by Corning Glass Works of the U.S., fell from £33.5m to £25.24m.

Ap to 4.78p.

Commenting an the period under review, the directors say that figures show further growth in sales and profits. Marketing conditions affecting the U.S. subsidiary, Mesa Technology Corporation, continue to improve and a profitable full year is anticipated. There has been little improvement in Radionics, which continues to be influenced by the present Irish economic situation.

for the year and with ronfident sounding words from the directive components can really start counting up the cost savings look likely for the year. At 235p, a fully-taxed p/e of 22.5 corby. Meantime the exceptional charges continue to climb.

AIDCOM seeks full listing

and microelectronics concern the company has achieved a AIDCOM International, which is record year's trading."

October last has not yet taken chant banker.

DESIGN, marketing research place, "there is no doubt that

AIDCOM International, which is currently quoted on the USM, is to apply for a full listing on the Stock Exchange.

Ladysmith Busywear of East Street, Leeds, has no connection with a company of similar name reported as wound up in last Friday's edition.

Tysons makes progress in first half

10p shace improved from 10.83p to 12.99p.

In the annual report, the directors said work was under way on remodelling and updating of facilities at Lime Street Station, Liverpool. The Liverpool Crown Courts contract was also said to be progressing well.

it is now primarily an explora-tion company with some incon-sequential minerals and fluids husinesses—developments which make the first-balf figures totally unrepresentative of the future structure. Most important is that these changes turn what was once s high-flying income stock into a highly speculative one, with its prospects related directly to certain untapped geological secrets. All that can be said at this stage is that the company acreage in the U.S., the Mid-East, China and the UK has "potential"—one of those words more widely used in the vocabulary of the brave. At 44p the company is capitalised at £15.34m.

Applied Botanics

The rights issue by Botanics (formerly the Sempang (Java) rubber plantations) has (Java) rubber plantations) has been taken up for 21,095,501 shares (96.33 per cent).

Shares not taken up have been sold at 15½p in the market, and net proceeds, after deduction of the issue price and expense of sale, will be remitted to provisional allottees.

DIVIDENDS ANNOUNCED

	Current ayment		nding	Total for yeer	Total last year
B. Foodslst int.	1.6	March 5	1.36	_	4.27
ridport-Gundry	2.13	_	1.42	3.23	2.41
ritish Invetipt.	5.1	_	4.8		10.6
ork Gasint.	Inil	_	2.45	_	7
ectrocomponents int.	1.3	Dec. 31	1	_	3
erguson Indint	2.5	Jan 5	2,2	_	5.7
CA Intalint	mil	_	2.75	_	2.75
icas Inds.	6	_	6	8.6	8.6
unford & Whiteint.	1	Jan. 6	nei	_	1
WE Centre	1	_	1	1	1
. A. Tyzack	0.4	_	mil	0.4	mil
Waddingtonint.	7.5	Dec 31	nál	5-	0.5

Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. Total forecast of not less than 15. ¶ Irish pence throughout.

Bridport-Gundry omits payout surges to £1m drop by £3m

NETTING AND cordage maker Bridport-Gundry surged from pre-tax profits of £326,000 to £1m in the year to July 31 1983, after a £415,000 rise in second half profits to £705,000.

With sarnings per 20p share given as 9.53p (1.13p) the year's dividend is being lifted from 2.41p to 3.23p net by a final of 2.13p (1.42p).

The profits fell from £3.72m to £412,000, and the directors say the reduction bas, in part, been caused by the inclusion in the 1982 balf-year 8 gures of an Turnover advanced from £16.94m to £20.18m and following sales costs of £15.42m (£12.78m), gross profits came to £4.78m (£4.07m). exceptional gain of £1.36m on the sale of the bolding in Berkeley Exploration and Pro-

f4.78m (£4.07m).

The directors say the company is continuing to improve productivity and the technical quality of its products. Although growth in the European and American economies is slow and patchy they still feel that it can do better and obtain a more satisfactory return on resources.

During the yeer short-term Also, during the first six months, the pre-tax profits of KCA Drilliog Group fell by \$354,000. This, together with a trading loss of \$435,000 for Berry Wiggins and a loss at KCA Minerals of \$658,000, compounded the reduction in earnings. The latter figure is a part of the start-up expenses of the Barite operation in China. No Interim dividend is being During the yeer short-term borrowings, net of casb balances, went down by just over £700,000. The company sold most of the factory to Eoglish Industrial Estates for £265,000 making a book loss of £35,000 after

expenses.

Taxable profits were struck income from fixed asset investafter distribution costs of £2.09m ments of £11,000 (£7,000) and
(£2.03m), administration ex interest receivable of £31.000
peoses of £1.51m (£1.39m) and (£36,000).

Tax took £144,000 (£181,000),
Tax took £144,000 (£181,000),
Tax took £144,000 (£181,000), dividend was paid.

The directors say interest charges will be considerably reduced by the degearing that has taken place during the last month. These results do not, however, represent the new structure of the group, following the disposal of KCA Drilling, which was finalised on October 5 1883 nor do they resect the sequisition of 7.96 per cent of Candecca Resources and the option to purchase another 21.94 per cent.

BOARD MEETINGS

Interime—Alinett London Properties,
Ambrose Investment Trust, Anglo
American Coal, Anglo American Corporation of South Africa, Asset Special
Situation Trust, Cater Atlan, De La Rue,
Hertwells, King and Shexeon, F. H.
Lloyd, New Throgmorton Trust (1983),
Porter Chadburn, Rush and Tompkins,
Labor Melloy, Michaele Vorthyde

PUTURE DATES		
Interims—		
Allled Irish Senks	Nov	
Amber Industrial	Nov	10
British and Commonwealth		
Shipping	Nov	
Caledonia investments	Nov	
Chamberlin and Hill	Nov	
Hunting Gibson	Nov	
Jeroms (S.)	Nov	
LRC International	Nov Dec	
Lathem (Jemes)	Oac	
Meyer International	Nov	
Perkland Textile	Nov	
Rexmore	Nov	
Smallehaw (R.) (Knitwear)	Nov	
Wamhouss Group	Nov	
Finals—		
AE	Oec	15
Hickson International	Nov	18
Northern Foods	Oec	14
Somic	Nov	15

Taxable profits were struck income from fixed asset investigated distribution costs of £2.09m (£2.03m), administration expenses of £1.51m (£1.39m) and interest payable of £328,000 (£397,000). Profits included related company profits of £19,000 (£40,000) and there was an (losses £8,000), other operating income of £106,000 (£46,000), (credit £10,000).

Kode forecasts shortfall

yesterday afterocon Kode Inter-national predicted that prosts for

IN A surprise announcement late manufacturing process to meet national predicted that profits for the current year would be marginally down on the £1.37m achieved to 1982. This compares with outside forecasts of around £1.8m and £1.9m.

The statement says that the group's printed cwall board manufacturing subsidiary encountered "nnexpected technical problems" in adapting its Last September when reporting half-tima profits up from \$21.18 the new then the \$21.18 to £802.116 the new chairman, Mr E. N. Randall bad said that "we do not expect to achieve a similar rate of the street of the same and the second ball."

The shares rose 3p to 305p yesterday ahead of the sunounrement.

EPICURE HOLDINGS PLC

Results for the year to 30 June 1983

	₹.000		
Turnover	15,860	26 per cent increase	
Profit before tax	1,153	15 per cent increase	
Dividends for the year	2.13p	22 per cent increase	

A scrip issue of one new ordinary share for every four ordinary shares registered on 13 October 1933 will be issued on 14 November 1983. Property investment and financial activities have improved as forecast Demand for the specialist services of our construction industry companies continues at a satisfactory level and the future looks good.

Granville & Co. Limited

(formerly M. J. H. Nightingale & Co. Limited) 27/28 Lovat Lane London EC3R 8E8 Telephone 01-621 1212

Over-the-Counter Market

Recession crippled industrial companies through rising costs, interest rates and a contracting market place.

BTR responded by a continuing investment in the key industrial markets of the world, an ever-increasing commitment to innovative ideas and a relentless pursuit of success in every area.

Stretching our minds to meet existing demands, to encourage fresh initiatives and to create new growth are challenges we've thrived on.

And we're ready for more.



BTR plc, Silvertown House, Vincent Square, London SW1P 2PL 01-834 3848.

nother Gala Performance

Tonight the curtain rises at The Old Vic for the Royal Gala Performance of Blondel.

Twelfth Night - only ten months ago - saw the first hammer strike the fabric of London's best loved theatre.

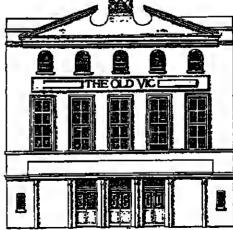
But with a constructive purpose. After being 'dark' for almost two years, The Old Vic was about to be given a new lease of life starting with restoration to the style of the 1880 s.

Months later, there were still many hammers striking many blows amidst the most cramped and difficult working conditions imaginable. Major structural alterations - like doubling the depth of the stage, reinstatement of stage-side boxes and creation of new bar areas - all had to be done before the finer finishes such as fibrous plaster work and intricate painting could be carried out.

The theatre was scheduled to reopen this October and despite the doubts of many, it did - on Halloween.

But then, perhaps they hadn't realised that this performance was stage managed by Kyle Stewart.







MANAGEMENT LIMITED Merit House Edgware Road Colladale London NW9 5AF Telephone: 01-200 7070 Telex: Alacra G 923433

Western Mining's days of light and shade

NEWS that the Australian production until about 1990 and Labor Party has voted, albeit morty most, for a package of proposals for the future of Australia's unanium industry and twestern Mining can look reasonable aves Pancontinental Mixing's labluka deposit in the cold but removes a major hurdle to the development of the Western Mining can like the controlling owner of one development of the Western Mining can be the controlling owner of one development of the Western Mining and its potentials. A last void proposal in the meantian, the company's new last void by the controlling owner of one form could be arranging the financing required for this project, which could cost something in the second balf of the year to next June feather which could cost something and the second balf of the year to next June feather which could cost something and the second balf of the year to next June feather which could cost something and the second balf of the year to next June feather which could cost something and the second balf of the year to next June feather which could cost something and the second balf of the year to next June feather which could cost something and the second balf of the year to next June feather which could cost something and the second balf of the year to next June feather which could cost something the proper control of ARIA the Called however, that the accompanying gold and show the material.

Then, too there has to be accompanying gold and silver will be costly saledne.

However, with the project construction phase alone likely to reach the total constraint mentions and natural properties. The meeting approved the company's noticel operation belt to the first feather which against the company's woing power and the company's woing power then could be arranging the half of the year to next June financing required for this project, which could cost something in the region of A\$1.7bn (£1bn), while another will be securiog acceptable uranium oxide supply contacts in a market already over-supplied with the material. Then, too, there has to be coasidered the uncertain outlook for the by-product copper. But the accomoanying gold and silver will be easily saleshle. However, with the project construction phase alone likely to reach the could be arranged in the year to next June than the A\$7.36m (£4.52m) Drilling has indicated that the property bas 300,000 tonnes of in the acceptable uranium oxide supply contacts in a market already oversupplied with the material.

Then, too, there has to be acceptable uranium oxide supply contacts in a market already on shareholders' funds of the change in the Articles of Association already to tonne with a further 240,000 tonne with a further 240,000 tonne of tonne with a further 240,000 tonne of the property bas 300,000 tonnes of the property bas 300,

Construction to start at Argyle

Royal Worcester Argyll buys more Key sites offer improved

Firmin agrees £2.34m bid by Hong Kong's Diaward

CONSTRUCTION WORK on the A3475m (1235m) second stage of the olg Argyle Dlamond Mines project in Western Australia is expected to start in the near inture, the joint venture partners said yesterday.

This follows formal approval for the project from Mr Mal Bryce, the state? Minister for Economic Development, on Thursday.

The second stage involves the probaration of Ak1, the maio kimberlike pipe of diamond-bearing material, for commercial scale mining, and the construction of a 3m-lonne a year treatment plant.

Construction is expected to start in the world in volume they begin in January, will continue during the construction stage. This has provided the joint venture partners with cash flow from the product to in 4.16m carats of diamonds bearing material, for commercial scale mining, and the construction of a 3m-lonne a year treatment plant.

Construction is expected to last about two years, with Ak11 community in the project will produce in the world in volume terms.

The mine has an estimated minimum life of 20 years.

Alluwal production from hardle during the construction stage. This has provided the joint venture partners with cash flow from the product tion of 4.16m carats of diamonds so far this year, putting the provided the joint venture partners in the project will provide the partners in the project will provide the partners in the project will provide the first the main stage of fevelopment at Argyle, the biggest single production from Argyle the biggest single terms.

The mine has an estimated minimum life of 20 years.

Alluwal production from Mr Bal thus a production from hardle of the project will provide the joint venture partners with cash flow from the product the joint venture partners with cash flow from the product on stage. This has provided the joint venture partners with cash flow from the production stage. This has provided the joint venture partners with cash flow from the production of a minimum life of 20 years.

The mine has an estimated in January, well of the "wet." Australia's ra

Mr John Rogers, managing director of Firmin, said: "I am 60 next year and it is a question

Pre-tax profits fell to a six-year low of £312,000 in 1982. In the first six months of 1983, profits were £102,000 on turnover of 60 next year and it is a question of continuity. My sons are not interested in carrying it on.

"I didn't want to leave my investment in a company when I blaward's UK operations. Mr Edwards and another director, activities. Rather than do a deal with the competition in the UK, which would have probably meant closing the factory, we have found what we think is a bappier solution."

Birmingham Mint, which makes

Roger Turoer is chairman of Firmin.

If the offer succeeds, Mr Keith Hsu, managing director of the Dlaward's UK operations. Mr Dennis Redmond. will join the Firmin board. Mr Turner will remain chairman.

Astonford is being advised by Antony Gibbs & Sons, while J. Henry Schroder Wagg is acting for Firmin.

Diaward Group, a Houg Kongbased maker of military clothing and equipment, is to make a £2.34m agreed cash bid for Firmin & Sons, the Birmingham manufacturer of badges, buttons and military ornaments.

Diaward, a privately-owned company controlled by the Hsu family, is making its bid through Astoniord Investments, a newlyincorporated UK company. Its 1000 people and generating turnover of filom-filom a specific plaward Equipment (UK), is based in London and it has 1000 people and generating turnover of filom-filom a specific plaward Equipment (UK), is based in London and it has 1000 people and generating turnover of filom-filom a specific plaward Equipment (UK), is based in London and it has 1000 people and generating turnover of filom-filom a specific plaward Equipment (UK), is based in London and it has 1000 people and generating turnover of filom-filom and it has 1000 people and generating turnover of filom-filom and it has 1000 people and generating turnover of filom-filom and it has 1000 people and generating turnover of filom-filom and it has 1000 people and generating turnover of filom-filom and it has 1000 people and generating turnover of filom-filom and it has 1000 people and generating turnover of filom-filom and it has 1000 people and generating turnover of filom-filom and the filom and manufacturer of badges, buttons and military ornameuts.

Diaward, a privately-owned family, is making its bid through Astoniord Investments, a newly-incorporated UK company. Its international sales office, Diaward Equipment (UK), is bare offer has already been accepted by directors and other sbareholders owning 51.fi per cent of the Firmlo equity.

Firmin, established in 1677 and buttonmaker by Appointment to the Queen, has been adversely affected by public sector spending cuts which have reduced demand for police and fire brigade uniforms and buttons.

Pre-tax profits fell to a six-year low of 5312 000 in 1982. In the same governments should be same governments abroad of the Interior, we would sell to the same governments of the Ministry of the Interior, we would sell to the same governments abroad as they do, but to different denartments. They might sell to the same governments abroad of the Interior, we would sell to the same governments abroad as they do, but to different denartments. They might sell to the same governments abroad as they do, but to different denartments. They might sell to the same governments abroad as they do, but to different denartments. They might sell to the same governments abroad as they do, but to different denartments. They might sell to the same governments abroad as they do, but to different denartments. They might be able to the same governments about 1,000 people and generat ing turnover of £10m.£15m about 1,000 people and generat ing turnover of £10m.£15m about 1,000 people and generat ing turnover of £10m.£15m about 1,000 people and generat ing turnover of £10m.£15m about 1,000 people and generat ing turnover of £10m.£15m about 1,000 people and generat ing turnover of £10m.£15m about 1,000 people and generat ing turnover of £10m.£15m about 1,000 people and generat ing turnover of £10m.£15m about 1,000 people and generat ing turnover of £10m.£15m about 1,000 people and generat ing turnover of £10m.£15m about 1,000 people and generat ing turnover of £10m.£15m about 1,000 peop

of the Interior, we would sell to the army."

Firmin's shares rose 3p to 93p yesterday. With about 70 per cent of the eoulty in the hauns of the Rogers. Firmin and Turoer families, the Firmin shares bave not been actively traded. Mr Roger Turoer is chairman of

Dealings suspended in **Burnett's SA offshoot**

BY RAY MAUGHAN

Burnett & Hallamshire. the open-cast coal mining, oll and property group. lost 10p yesterday to 170p as the sbares in its 51 per cent South African subesidiary Rand London Corporation were suspended on the London Stock Exchange at 27p, Dealings in Corporation's operating offshoot, Rand London Coalwere also frozen at 24p following their suspension on the Johannesburg Stock Exchange. Mr Eric Grayson, the new chairman of Burnett & Hallamshire said that negotiations in South Africa had reached an advanced stage and, although be declined to give the details of the discussions and am very pour discussions and am very proposition in Northern Ireland, would bave been "way outside to scheme from a dramatic downgrading of forecasts for the current year, and the request for a Stock Exchange probe which followed, have had the effect of "accelerating" the group's arrangements with the discussions and am very proposition in Northern Ireland, would bave been "way outside to cope "of Brown and Shipley.

However, the recent share probe which stemmed from a dramatic downgrading of forecasts for a Stock Exchange probe which followed, have had the effect of "accelerating" the group's arrangements with the discussions and am very proposition in Northern Ireland, would bave been "way outside to cope "of Brown and Shipley.

However, the recent share probable to give the details of the current year, and the request for a stock Exchange probable to give the details of the discussions and am very proposition in Northern Ireland, would bave been "way outside to cope "of Brown and Shipley."

However, the recent share probable to give the details of the current year, and the request for a stock Exchange probable to give the details of the current year. were also frozen at 24p following their suspension on the Johannesburg Stock Exchange. Mr Eric Grayson, the new chalrman of Burnett & Hallamishire said that negotiations in South Africa had reached an advanced stage and, although be declined to give the details of the discussions it is understood that the group's loss-making coal interests in South Africa, for which Burnett pald almost £30m in October 1951, are to undergo a financial reconstruction. and the requirements of the group."

An although be although linerests in South Africa, for which Eurnett pald almost £30m in October 1981, are to undergo a financial reconstruction.

Burnett & Hallamshire bas appointed Kleinworth Benson as its financial advisor although Brown & Sbipley is to be retained to "handle various matters in certain parts of the group."

Speak, and the requirements which followed, have had the effect of "accelerating" the effect of "accelerating " the effect of "accelerating the effect

matters in certain parts of the group."

Speaking of the new appointment, Mr Grayson said yesterfoundation and the Emily Fraser Trust are now holders of day that Burnett bad been talking to the bank for "sevaral to 14.99 per cent.

Mr James Gulliver, chairman of the Argyll Foods group, announced yesterday that he bas acquired five more Key Markets developments from the Dee Corporation. With a sixth Key Market bought barely a month ago. Argyll is paying a total of £9m to Dee.

The stores that have been bought—three completed during the past two years and three still under construction—will become part of the 140-strong Presto Food Market chain, which accounts for about half of Argyll Foods £12bn annual turoover.

For the Dee Corporation, which until a month ago was called Linfood the deal was seen as a vindication of chair—

Mr James Gulliver, chairman it of buy the 98-strong Key Markets chain from Fitch Lovell for £14.8m early this year.

Since the acquisition be has sold seven Key Markets stores for £12.6m — recouping more than 28 per cent of the original purchase price of the group.

The purchases come as part of a determined effort by Argyll Stores' chairman, Mr Allect Monk's determination from Dee.

The stores that have been bought—three completed during the past two years and three still under construction—will become part of the 140-strong Presto Food Market chain, which accounts for about half of Argyll Foods £12bn annual turoover.

For the Dee Corporation, which until a month ago was called Linfood, the deal was still on the lookout for stores in the region of 20,000 sq ft in

Associated British Foods

Half Year Progress Report

The Directors of Associated British Foods plc announce unaudited results

for the six months ended 1	october 1955.		
	Six months to 1 Oct. 1983	Six months to 2 Oct. 1982	Year to 2 April 1983
	£ million	£ million	£ million
TURNOVER - excluding Premier Group	1.288.0	<u>1.174.0</u>	2,479.0
Trading surplus Interest payable	37.6 3.0	37.3 2.9	95.7 5.7
Group profit - excluding Premier Group	34.6	34.4	90.0
Investment income	7.9	1.8	4.6
Profit of Premier Group	<u> </u>	22.6	51.9
PROFIT ON ORDINARY ACTIVITIES			
BEFORE TAX	54.9	<i>5</i> 8.8	146.5
United Kingdom tax	6.6	6.3	14.0
Overseas tax	<u>9.4</u>	12.7	<u> 26.8</u>
Profit on ordinary activities after tax	38.9	39.8	105.7
Minority interests	5.4	<u>9.1</u>	22,5
PROFIT ON ORDINARY ACTIVITIES			
ATTRIBUTABLE TO THE COMPANY	33.5	30.7	83.2
Extraordinary items	1.1	1.2	(0.4)
	<u>34.6</u>	31.9	<u>82.8</u>
Ordinary dividends			
1st Înterim	6.4	5.4	5.4
2nd Interim			<u>11.6</u>
Earnings per share before extraordinary items		-	
-on increased share capital	8 <u>.4</u> p		20.9 _I
An interim dividend of 1.60 per Ordinary share (1982-1.5)	a) will be paid o	n 5 March 198	4 10

An interim dividend of 1.6p per Ordinary share (1982-1.5p) will be paid on 5 March 1984 to shareholders registered at the close of business on 3 February 1984. Including tax credits this dividend is equivalent to 2.29p per share (1982-2.14p). The dividend is being paid on the increased share capital following the 1 for 10 capitalisation issue of new shares and represents an increase of 17.3 per cent. compared with last year.

The Chairman, Mr. GARRY WESTON, reports:

As announced on 30 June 1983 our 52 per cent interest in the Premier Group Limited of South Africa was sold for 351 million rands. The results for Premier have been excluded from the turnover and group profit shown above, and these figures together with the comparative amounts relate to the continuing operations of the results. the group.

Worldwide sales increased by £114 million or 10 per cent. The trading surplus at £27.6 m.

The strong each flow has enabled the group to confi

Worldwide sales increased by £114 million or 10 per cent. The trading surplus at £37.6 million was maintained at the high level achieved last year. The strong cash flow has enabled the group to contain borrowings and with only a marginal increase in interest charges, the group profit is £34.6 million.

The profits of the Premier Group are included for three months only to the date of sale of this company compared with six months for the previous year. The proceeds from the sale of this company have been invested and this accounts for the substantial increase in investment income to £7.9 million.

Although the combined pre-tax profit at £34.9 million is £3.9 million lower than for the comparable period last year, the profit attributable to the company at £33.5 million is £2.8 million or 9 per cent higher. This is principally due to the reduction in the minority interests in the profits of the group following the sale of Premier.

The carnings per ordinary share have been calculated on the new share capital and the comparative figures adjusted accordingly, and the earnings per share for the half year at £4.9 represent an increase of 9 per cent compared with a similar period last year.

In the United Kingdom sales increased overall by 8 per cent with a 12 per cent increase being achieved by our retailing division, offset by a reduction in turnover of our grain merchanting companies, and also reflecting title movement in price levels in the majority of our manufacturing divisions. Profits in the United Kingdom at £34.7 million compare with £23.9 million for a similar period last year, and while increases were achieved by the retailing divisions, and there was some improvement in the profitability of the other manufacturing divisions, profits in the baking division were lower due to the incidence in the period of public holidays and the continuing pressure on margins.

Sales of our overseas divisions increased by 15 per cent, but profits at £9.9 million were £0.6 million lower. In Australia the tesults for the half year in terms of local currency were down by 15 per cent, reflecting the contiouing losses from the New South Wales bread operation, due to the price control in that State, coupled with the downturn in the poultry division's results, which were adversely affected by high grain prices as an aftermath of the downturn.

Australian and South African results have been converted at 1.67 dollars and 1.68 rands to the £

Australian and south African results have been converted at 1.07 donars and 1.00 tallos to the year respectively.

Although our major milling and baking divisions are unlikely to achieve increased earnings for the year due to increased costs and heavy competition, trading profits for the group are traditionally higher in the second half. Following a period of high expenditure on rationalisation in the group's other manufacturing divisions, there are now some indications of an improvement in their results, and this should continue. The United Kingdom retailing divisions have made a satisfactory start to the year, and we are contiously optimistic about their results for the full year.

The changes which have taken place in the structure of the group will be dealt with fully in the annual report and accounts, and the profit on the sale of Premier, which exceeds £100 million, will be added to extraordinary tiems in the profits and loss account for the year.

Associated British Foods ple Weston Centre, 68 Knightsbridge, London SW1X 7LR

LADBROKE INDEX 711-715 (-2) Based on FT Index Tel: 01-493 5261

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THE 1933 event

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development

Stuart Shelf and Benambra.
Staff of Seltrust Holdlogs'
operating company. Seltrust
Mining Corporation, are to be
transferred to BPMA.
In addition Seltrust will transfer to BPMA rights in the Mt
Keith-Kingston nickel exploration area and in diamond
exploration, both of which
require high capital spending.
This will lower Seltrust's
interests in these areas to 25
per cent of the BP share. tralia's oldest uranium producer.

Accordingly, the company, part
of the Rio Tinto-Zine group, will
make a repayment of capital of
20 cents (12.5p) per sbare on
December 5,
Minlag operations at MKU
reased in October 1981, but the
company has continued to make
profits from sales of stockpiled
uranium. Stockpiles will last for
about one more year.

* * *
Net profits of Rio Tinto Zimshawe for the third quarter to
September 30 were 281.57m
(£im), down from the second
quarter level of 281.97m. However, the company is still well

New BP arrangement to help Seltrust

CORPORATE changes are amounced whereby British Petroleum is to give a helping hand to its struggling 75 per cent beneficially-owned Seltrust Holdings.

In essence, Seltrust will be relieved of part of its exploration cost burden and avoid an over-exposure to nickel. The moves also show that BP is determined to stand by Seltrust which was floated back in 1979

A major consideration bebind the move is that with the completion of the 1,100-metre shaft the move is that with the completion of the 1,100-metre shaft the move is that with the completion of the 1,100-metre shaft the move is that with the completion of the mine will require the linjection of size-pletion of the 1,100-metre shaft the move shaft and Seltrust is going to continue to need the financial and technical support of BP.

It is stated that when the Mgnew expansion study is completed the new relationship between Seltrust and 40 per cent by MIM.

It is stated that when the complete for the foldings of the foldings

The merged UC Investments

The merged UC Investments and Sentrust investment groups in the General Mining Union Corporation stable started trading in their new form yesterday. The groups, now renamed General Investment Corporation, trade under the abbreviated form "Genbel," and the shares closed unaltered in London at 1500 Friday's closing price for

55,000 sq.ft. net offices

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Holdings.

In essence, Seltrust will be relieved of part of its exploration cost burden and avoid an over-exposure to nickel. The moves also show that BP is determined to stand by Seltrust which was floated back in 1979 as a vehicle for Australian domestic investment in the minerals industry Down Under.

BP Minerals Australia (EPMA) is to be set up to direct and manage the BP mineral interests in Australia which linclude Clympic Dam, Stuart Shelf and Benambra. Staff of Seltrust Holdings' exploration development into the two, lower major orebodies has started. It will be cost some ASSOm and pave the cost some ASSOm and pave the way for a decision in mid-1985 on the expansion of the mine.

INTERNATIONAL ROUND UP

THE Supreme Court of Queens-lend has approved the reduction that super decision in mid-1985 of the mine.

INTERNATIONAL ROUND UP

THE Supreme Court of Queens-lend has approved the reduction that super decision in a continued soft in the state-distribution development into the two, lower major orebodies has started. It is stated that when the Agnew expansion study is completed the new relationship between Seltrust and 40 per cent by MIM

Holdings) exploration development into the two, lower major orebodies has started. It is stated that when the Agnew expansion study is completed the new relationship between Seltrust and 40 per cent by MIM

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It is stated that when the Agnew expansion study is completed the new relationship between Seltrust and 40 per cent by MIM

It is stated that when the Agnew expansion of the reconsidered by both companies on the expansion of the mine.

INTERNATIONAL ROUND UP

THE Supreme Court of Queens-lend the stated that when the Agnew expansion study is completed the new relationship between Seltrust and 40 per cent by MIM

It is stated that when the Agnew expansion of the per c

ever, the company is still well ahead of last year at the uinemonth stage, with net profits of Z\$4.66m compared with a loss of Z\$3.68m.

Gold production was slightly lower than in the record quarter

Corporation stable started trading in their new form yesterday. The groups, now renamed Gencor Investment Corporation, trade under the abbreviated form "Genbel," and the shares closed unaltered in London at 950p. Friday's closing price for UC Investments.

* * * *

Attributable profits of South Africa's Trans-Natal Coal Corporation for the three months to September 30, the first quarter of the current financial year, came out at R11.69m (£fi.9m), compared with R12.96m in the June quarter.

The company, part of the Gencor group, said that the decrease was largely due to a reversal of provisions in the previous quarter following the company.

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FIH £1.5m ahead in opening half

with tracing profits ahead in building supplies, and in printing supplies, and in printing supplies, and in printing supplies, and in printing supplies, and packaging. Ferguson to experience an upturn in demand.

Industrial Holdings reports profits up from £1.34m to £2.81m in the six months profits rose from £563,000 to £1.51m and packaging has expanded further, and a more profits rose from £563,000 to £1.02m) at the half-year profits to the chair man and chief executive, says most of the increase in trading profit of £1.02m profits in the building supplies' total was 5.7p from pre-tax greenwised in England as Irish building supplies' total was 5.7p from pre-tax greenwised in England as Irish building supplies companies have yet to experience an upturn in demand. With the traditionally best third

In the traditionally best third

In the first half trading profits of £38.20m.

In the first half trading supplies and packaging in order to give to experience an upturn in demand. With the traditionally best third

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In the first half trading supplies and packaging in order to give to experience an upturn in demand. With the traditionally best third

In the first half trading tradition and free sevent weather, and a more than doubled trading profit of £38.000 (£482,000), retained £45,000 (£482,000). The points came out at £1.31m compared with £591,000. Earnings from £40 to 7.7p.

In the risk of £40,000 (£482,000), retained £40 to 10.00 (£48

Waddington on target so far

Mr Denis Vernon has made it quite clear that some of the smaller companies are on prosmaller companies are on pro-betion. If they fail to make e decent return by the end of this financial year they are out. But the two dominant areas of opera-tion have had an excellent half year. There is some extra profit in printing and packaging from acquisitions but the dombling of trading profits is solely due to the consumer boom. The divi-sion's customer list includes High Street heavyweights such as Marks and Spencer and Sainshury which have clearly experienced a sharp upturn in packaging requirements. Build-FOLLOWING A return to profits in the second balf last year, games manufacturer and packaging dend out of an expected 15p for ing and printing concern John Waddington has turned in a taxable surplus of £1.62m for the whole year after redundancy costs, £82,000 is to keep up the profits after redundancy costs, £82,000 responsible for much of this commentum. Drastic surgery is responsible for much of this are paying a 7.5p interim divigames manufacturer and packaging and printing concern John
Waddington has turned in a taxable surphus of £1.62m for the
25 weeks ended October 1.1983,
compared with losses of £27.000
[254.000] and interest £408.000
[254.000] and after
creased from £23.4m to £25.18m
[251.000] —bid defence costs—
the attributable balance was the
growth in sales and the
summer of the recovery of the
business and vindicates our rejection of the recovery of the
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Continuing progress by **Cambridge** Instruments

AT the halfway mark, the directors of Cambridge Instruments say that last year's patierm of progress is continuing. For the period to the end of September 1983 profits were ahead by 73 per cent, and turnover rose 31.5 per cent to £14m. While trends cannot necessarily be maintained at these levels, the directors expect last year's improvements to be maintained. For the last full year, pre-tax profits stood at £2.3m 00 turnover of £28.7m.

Activities of the company include scientific and industrial instrumentation.

include scientific and industrial instrumentation.

The directors say that two recent acquisitions have considerably enhanced prospects for 1983-84. In August, a Japanese trading company was acquired, which will assist penetration of the high technology market in Japan and the Far East.

With effect from October 1, Londex, a South London hased maker of industrial equipment, was acquired. The directors say was acquired. The directors say this now means that more than 25 per cent of tornover will come from industrial components

come from industrial components end instrumentation.

Cambridge Instruments now has associate companies in seven countries and exports more than 70 per cent of its products. By further developing products, service to customers and market penetration the directors look forward to continuing successful. forward to continuing successful developments.

Cambridge Instruments is e subsidiary of the unquoted Cambridge Instrument Company.

Phicom £3.9m rights to reduce short term debt

Malaysian parent, Phicom is launching a one-for-three rights issue et 250 a share to raise 23.86m after expenses which will mitially be used to reduce short-term debt. Magnum Corporation Berhad, which holds 63.4 per cent of the equity, will be taking up its entitlement in

At the halfway stage Phicom produced almost doubled profits of £1.02m. The board is also projecting a final dividend of 0.45p per sbare which will make 0.75p for the full year against 0.5p.

short-term debt. Magnum Corporation Berhad, which holds 63.4 per cent of the equity, will be taking up its entitlement in full. The balance has been underwritten.

Along with the cash call comes a profits forecast of £2.1m compared to £914,000. The directors say that the year's profit could have been over £100,000 had it not been for a three week strike at one of its plants last month. The hoard remains confident thar this progress will continue in

Mr Fu Chee Cheng will join the board as an executive from the begioning of 1984.

The rights issue of up to 15,898,204 ordinary shares will also be available to other classes of shareholders in the proportion of one-for-three for holders of the 8 per cent con-vertible redeemable preference and five-for-six for convertible

preference sbares. The new shares will not rank for the interim dividend de-clared in August. The company says that the issue will support increased working capital needs as well as fund the capital expenditure programme.

Town Centre higher at £2.1m

HELPED BY the erradication of hotel operating expenses, pretax profits of Town Centre Securities, the property investment and development group, rose from £1.92m to £2.11m for the 12 months ended Juna 30 1983.

Earnings improved from 1.54p to 1.61p per 25p shere. The dividend is being held at 1p net, but a scrip issue on e one-for-ten basis is heing proposed. The directors believe there has been some slight fail in rertain values this year, perturbed in the strong parties, and say the accounts of time there has been some slight improvement in the value of the group's freehold property of almost £1m.

Gross revanue for 1982-83 dropped from £5.2m to £4.88m before taking account of property expenses of £633,000 (£500,000), hotel operation expenses last time, £905,000, administration expenses of £670,000 (£571,000) and higher interest charges of £1.47m, compared with £1.31m.

The directors ere proposing e resolution which would authorise the group to purchase from shareholders (focluding directors ere property expenses of £633,000 (£571,000) and higher interest charges of £1.47m, compared with £1.31m.

rertain values this year. perresolution which would authorise
ticularly of long leasehold properties, and say the accounts shareholders (iccluding direcshow a revaluation deficit of tors) on the Stock Exchange at
£2.18m on long leasehold values.

The directors of proposing e distributante profits for the put chase of shares, the directors of mot intend to do so at the expens of dividends on the ordinary.

Take proposing e distributante profits for the put chase of shares, the directors of chase of shares, the chase of shares, the chase of shares, the directors of chase of shares, the chase of shares of shares, the chase of shares of shares of shares.

time there has been some slight improvement in the vaine of the group's freehold property of almost film.

Gross revanue for 1982-83 dropped from £5.2m to £4.88m before taking account of property expenses of £633,000 (£500,000), hotel operation expenses last time, £905,000, administration expenses of £637.000 (£571.000) and higher issued share capital of £18,289,816) at nor more than 10 per cent of the market quotation of the previous dealing day nor less than 25 per cent per share (being the nominal value of each share) before June 14 1985.

Not more than 5 per cent of the companys issued shares will be purchased during any one 12-month period.

month period.

Although the Companys Act
1981 requires the group to use
distributable profits for the purchase of shares, the directors do
not intend to do so at the expense
of dividends on the ordinary.

Tax for the past year
accounted for £925,000 (£786.000)

Munford & White up 20%

FOR THE half-year ended September 30 1883 electronic alarm equipment manufacturer Bunford & White has increased pre-tax profits by 20 per cent from £208,000 to £250,000 and directors are paying a 1p interim constraints in production are to meet this increased for this new facilities.

And they are confident that prospects for the second six months, which should reflect the benefits of increased capacity

constraints in production facilities.

Demand was strong during the six months, in particular for the company's new products incorporating the latest microprocessor and uncommitted logic array (ULA) technology.

Demand.

and new products coming on stream, "are very good."

Profits for the 1982-83 year were £451,000 and the dividend paid was 1p.

Turnover of this USM concern to increase substantially

development," directors state.

In order to meet this increased demand, the company is huilding e 28,000 sq ft factory in Clevedon, Bristol, which should be completed late in 1984.

Six months' tax takes £100,000 (£101,000) and after the interim dividend payment, £32,000 (nil) the retained balance was £118,000 against £107,000. Earnings per 10p share were 4.6p, compared with 3.5p.

electrocomponents

INTERIM RESULTS

Trading Results and Prospects

Figures for the six months to 30th September 1983 show further growth in Group sales and profits, Marketing conditions affecting Mesa continue to improve and a profitable full year is anticipated. There has been little improvement however in Radionics Limited, which continues to be Influenced by the present Irish economic situation.

Group sales for the current half year to date show encouraging progress



DividendAt a Board Meeting held on 7th November 1983, the Directors declared an interim dividend of 1.3p per ordinary share absorbing E1,325,000. This compares with £1,019,000 absorbed by the 1982 interim dividend of 1.0p per share. Dividend warrants will be posted on 30th pecember 1983 to members on the Register at 28th November 1983.

electrocomponents pic, Harrier House, St Albans Road East, Hatfield, Herts AL10 OHE

Halfyearto 30.9.83 (unaudited) Comparative results (unaudited) (audited) £,000 €.000 **External sales** 57,646 45,262 101,231 9,969 Profit before interest 7,774 17,364 1,275 Interest received 765 Profit including interest 18,639 10,424 8,539 Exceptional expenses-RS Components' Corby move 523 1,200 **Profit before taxation** 9,901 8,327 17,439 4,321 Corporation tax provision 2,714 6,496 Deferred tax (buildings) 2,347 2,128 5,061 4,321 8,624 4,840 Profit after taxation 4,006 8,815 Attributable to outside shareholders (63)Earnings available for 8,878 4,019 3,057 Dividends absorb 1,019 5,821 Retained earnings 3,000 3,548 Dividends per share: 1.0p Paid Proposed 1.3p 1.0p 2.0p 4.00p 8.77p Earnings per share 4.78p Group bank balances £7.5m £6.6m £10.4m Increases over corresponding period: 27.4% 25.8% 29.0% 18.3% **Profit** 10.8% 18.9%

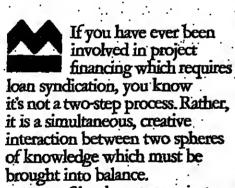
The comparative figures are extracted from the company's full Accounts for the year ended 31st March 1983. The Accounts received an unqualitied report and have been filed with the Registrar of Companies. Goodwill. The half year's figures to 30th September 1982 have been adjusted above to reflect the change in the treatment of goodwill reported in the Report and Accounts to 31st March 1953. Exceptional expenses. The ligures to 30th September 1983 include

(a) £331,000 representing the cost of relocation/redundancy, parallel working and some expense of running temporary premises in Corby. It is enticipated that, for the financial year, these costs will

(b) £192,000 covering rent and rates of premises previously occupied by RS Components Limited, the leases of which are now on the market, but are not yet disposed of. Six months rent and lates cost of those RS premises in London and the Home Counties, which are or will be vacated by March 1964, would be \$200,000. It is expected that disposals will be acrieved by the financial year end.

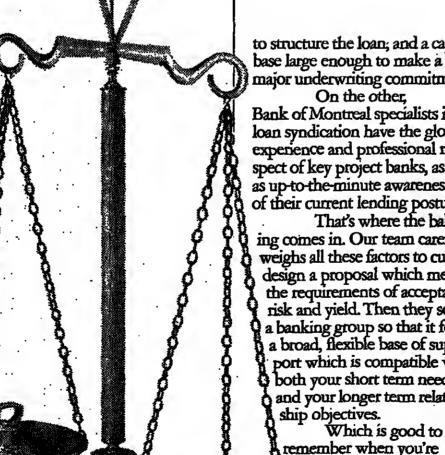
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> remember when you're weighing the capabilities of a project bank. Contact your

Bank of Montreal Account Manager, or Project Finance, Merchant Banking Group, First Canadian Place, Toronto, Canada. Telex: 06524041.



Death of videodisc has been postponed

A POPULAR sport in the last two years has been video disc bashing. A vociferous majority in the video industry has written off the video disc as too late, too specialised and too limited through its inability to record off-air. Only a few (this column included) have clung to an almost passionate belief in the unique virtues of the video disc, predicting a healthy future for the medium pro-vided the manufacturers could get their muddled marketing strategies sorted out. The cry from the video disc camp bas been "Vive da difference!."

It now begins to look as if that faith was justified. The principal manufacturers involved are now losing their hesitancy, their minds concentrated wonderfully hy the threat of competition. In the UK, the competition comes of course with the arrival of RCA's low cost CED system-which bas done well enough in the there for those who try hard

An important vote of confidence is about to be signalled by Thorn EMI, which last year sbocked the Industry by shelving its plans to launch the VHD video disc system. Any day now, the company is likely to announce its intention to introduce VHD to industrial and price of the basic player reducational markets in the UK. duced to £299—but effectively ducational markets in the UK. This decision will confound those who believed that Thorn EMI would abandon VHD, and it could mean that Britain will become the first market in the arrival of RCA's CED system in UK ironically may have pro-vided the stimulus that both Thorn EMI and Philips needed, because even Philips now seem to be emerging from the doldrums with a flurry of new

For Philips, the turnabout comes with a sudden dedica-tion to the principle that others have been urging upon them originally fixed £17.95 hut going have been urging upon them for three or more years namely that video disc player sales must be supported by the manufacturers with a major investment in software. Until recently. Philips took the view that software was the respon-sibility of producers and dis-tributors—if they manufactured the players, the market forces would stimulate other to polley inhiblting

Video&Film

BY JOHN CHITTOCK

board, during an internal meeting, the words "SOFT WHERE?" But at last it really is different, and Philips are now tackling the software problem vigorously and with a new spirit of enthusiasm. The policy is leading to substantial direct investment in the direct investment in the acquisition of programmes, and even to the funding of original programmes—such as an impressive video disc about Vincent van Gogh, which provides not only a conventional moving picture account of the artist but a colour still picture library of nearly all of his major works.

Earlier this year, Philips in UK also started to distribute video discs to hardware outlets as additional back-up to the independent distributors supplying software retailers. Philips also claim that in the last two to three months, retail outlets for the player have doubled—with recent additions including Curry's, Laskys, Comet and Rumbelows. With the £249 because three discs worth £50 are included with the machine—it is clear that the arrival of RCA in UK has had

a profound effect upon Philips. world where all three rival
world where all three rival
systems are available. The Hitachi and now appearing in British shops, comes in at a very low £199.95. But this basic model is mono sound. stereo. The cheapest RCA stereo version is £229.95. RCA discs cost from £9.95 to £12.95 each (depending on title), which has in turn encouraged

down to £11.99. Philips also plan to introduce a simplified version of their system late next year without the freeze frame capahility; bowever, it will be possible to up-grade this model by the addition of a separate

the British public is a consumer war, largely based on price and programme range (RCA bave started with 100 titles; Philips —with an 18 months lead—have

Australia.

Australia.

It would be foolish to bet on the ontcome. But one thing is now certain. The video disc has arrived, and it will not go away.

Personal Computer, PC Jr is built around an intel "PC chip set" with an 8088 micro-processor. Jr comes in two versions—a \$669 model with plug-

over 250, rapidly rising to 400 by the end of the year). The superior picture and sound quality of the Philips system may be an advantage, but RCA bave been closing the gap.

The Thorn EMI decision to make VHD available in Britain to the so-called institutional market nnderlines how the unique qualities of the video disc are now heing recognised. If Thorn EMI left it any later, they might be too late, and some might well say that they bave already wasted a valuable 18 months anyway.

The institutional part of the contest is two-cornered, with Philips the opponent. Despite slow progress in consumer markets, Philips have been pushversions of their optical player. with, for example, a new model about to appear with various sophisticated facilities ranging from a built-in teletext encoder to a computer software dump.
Philips are also about to
announce a major contract to
supply industrial players to a very large international com puter company.

On the industrial front, VHD bave clearly lost valuable time. In Japan — the only country where VHD is presently available — JVC's main thrust has been towards consumer users. In UK, Thom EMI have acquired valuable programming experi ence through their in-house pro-duction unit, which does at least give them some advantage. But ironically VHD looks a stronger competitor to the Philips Laser Vision system in the consumer market - comparable visual quality, smaller disc size, more compact player, possible price advantages - even though it will have strong appeal to

The video disc thus faces company conflicts on two fronts, consumer and industrial. For the latter, there may be room for both Phillps and JVC/Thorn is now very confused: RCA/ Hitachi facing the Philips/ Ploneer LaserVision system in the UK and the U.S., but Laser-Vision fighting only JVC's VHD in Japan and no competition in West Germany, Holland and

VOICE RECOGNITION AND RESPONSE SYSTEMS ARE INCREASING

The telephones that talk back

BY JASON CRISP

get back to the level of telephone service we had in 1900," comments Dr Ivan Cermak. director of ITT's Advance Technology Centre in Shelton, Connecticut.

Then you did not need to memorise numbers, you just Picked up the telephone and asked the operator to get some-one for you. If you went out to dinner you told the operator where to re-route your calls." Last week at the quadriennial telecommunications extrava-ganza in Geneve ITT demon-strated an electronic telephone system which accepted voice instructions. Someone could pick up the phone and ask for an extension hy number, or tha name of its user. The demon-stration was linked to a System 12 digital exchange and would also dial a small number of ootside numbers—such as airline reservation desks—on a spoken

Voica recognition and voice synthesis demonstrations proved to be one of the sexier things to be seen at Telecom 83—easily a research project and said that

WE ARE still struggling to competing with the anonymous an operational automatic transboxes which contained advanced lation machine would not be digital telephone exchanges costing hundreds of millions of

Nippon Electric Company (NEC) attracted the greatest crowds with its automatic interpreting system. Actors demon-strated automatic translation between Japanese (and also Spanish) and English. The system used NEC's DP-200 continuous speech recognition equipment which is already used in several commercial applications. NEC claimed thet the "translation" was carried out by its personal computer tha APC. The result was then syn-

thetically spoken by the DP-200.
Thera were clearly a number of practical limitations.
Although the DP-200 accepts ordinary speech at a reasonable speed its vocabulary was limited to 150 words and only from one to 150 words and only from one speaker. And as the actors kept very carefully to their scripts there was no evidence of any translation in the real sense. NEC was presenting it only as

available until the turn of the century.

Digital Equipment, the leading U.S. minicomputer manufac-turer, also attracted attention with a new product for converting computer data into the spoken voice. The company demonstrated an application rhich would enable someone to find ont the content of any messages left in an electronic mailbox without needing a computer terminal with a visual display unit.

Anyone with a push button telephone can dial the system which will "say" how many messages have been left and who they are from, identifying each one with a number. By pressing the appropriate number on tha telephone, the listener can hear the message.

Tha speed and type of voice (male, female or child) can be controlled. The system also appeared to be able to cope with some of the odder pronunciations of the English language such as "though,"

"bough," and "through." But it would only pronounce Geneva correctly if it was spelt Geneeva."

DEC were rather vague about details but the system is expected to be available in the U.S. next year and cost about

TIT's speaking telephone was based on speech recognition equipment developed by the instrument.)

shown publicly for the first time at Geneva, was claimed to be able to recognise just about anyone's voice at once Dr Cermak said the system could be used with an exchange within about two years. It would be about four to five years hefore it could be used in an individual's workstation.

entryment developed by the ITT Defence Communications Division in San Diego. (A typical defence application would be in a fighter aircraft. The pilot can call out for in formation, such as how much fuel left, and be told without having to divert his eyes to an The ITT voice system, being

Monitoring

Detecting buried faults

A SMALL Bristol based company, Dynalog Electronics. has just spent three years developing an instrument that will detect buried steel pipes, measure their depth and indicate the condition of the wrapping or coating.

Mounti

Such pipes—there are some 2m miles below ground throughout the world that are being repaired and main-tained at an annual cost of \$700m—inevitably start to corrode the moment they are laid. The new instrument allows engineers to determine whether the wrapping is below an acceptable level of

Known as C-sezn, the instrument is simply carried by the surveyor across the line of the buried pipe at points that can be several hundred yards apart. The instrument's display will tell the user where the pipe is, at what depth, and the general condition of the wrap between his current and previous observation boint

If the wrap quality is below an acceptable figure the instrument can then be used. to examine specific sections, possibly revealing corresion points or leaks.

The detector works by measuring the strength of an AC signal above the pipe at various distances from an injection point where a second unit, a signal generator, is physically connected. The instrument can remember a large number of readings and feed them to a printer at the end of the survey, providing a complete. record of a pipe run. More on

w.r.:

IBM'S PERSONAL COMPUTER REVEALS FEW NOVEL FEATURES

PC 'Jr'—pedestrian, but no slouch

BY LOUISE KEHOE IN SAN MATEO, CALIFORNIA

The home computer that has rocked Wall Street prior to its announcement, been blamed for the demise of more than one of the leading U.S. personal computer manufacturers and is widdly are distalled to be about to the standard to be about to the standard model has 64k of ram and the more expensive version 128k. Ir runs a version of the standard MS DOS operating system and is largely computer manufacturers and is patible with the original IBM widely predicted to be ahout to take over the U.S.—and then the world—bome computer market, is notable for its lack of

technical innovation. Jr could hardly have avoided remarkable degree of publicity that it has attracted prior to its introduction. In the event, bowever, IBM guaranted that hence-forth "Jr" would be described in terms of sales figures—and little else.

Like its predecessor, the IBM

PC JR " ALIAS the " IBM pea- in cartridge software, and a devices. It is not exactly new- home computer functions. nut" is distinctly unremarkable \$1,299 model with a single but it is new to home comfrom a technology viewpoint. double density disk drive. The puters. lower priced model has 64k of

> In fashioning a homa computer that is compatible with the PC but not competitive with the higher priced machine, IBM has clearly been forced to compromise the features of Jr. Tha result is a computer that lacks the performance potential of comparably priced personal computers from other manu-

> IRM has, however, made a genufiect in the direction of technical novelty by incorporat-ing infra-red communication of data betwen the keyboard and

IBM has said-little so far

about its distribution plans for Jr. Although it has been assumed that IBM dealers computer retail stores-will sell patible with the original IBM Jr, some of those dealers are not enthusiastic. They regard Jr as a product better suited to department stores and catalogue sales: "most small computer stores cannot afford to support customers who spend less than \$1,500 on their commajor computerland store in California. He prefers to sell more profitable \$5,000 systems to business users.

Computer retailers will, however, apreciate the high "after sales" potential of the IBM potential of the IBM bome computer because Jr owners will need to buy extra based upon the perceived concentral processing units. This is owners will need to buy extra based upon the perceived conthe same kind of system used in add-ons to make Jr perform fidence that now—the home

modem, for example, is needed to hook the Jr up to a phone line. An RF modulator is needed to connect the Jr to a television.

IBM has clearly decided that technology is not necessarily the key to success in the home computer market. It will not be "gee-whitz" features but rather such solid characters as "IBM" that persuade Mr Average to spend upward of \$1,000 on a home computer. Jr will undoubtedly attract

hundreds of thousands of huyers. People who have besi-tated at the brink of deciding will take the plunge feeling assured that it is the night move by the " big blue " initials, Price and performance become minor issues when the decision is

many remote control television most of the more interesting computer has arrived. "The investment opportunities in Clydebank are considerable?

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*New companies established 202 *New jobs forecast

2,100 *Public sector investment to date £19.5m

*Committed private sector investment to date £16.25m

WECANPINPOINTTHE OPPORTUNITIES With the tremendous upsurge in the local economy, there is probably nowhere in Scotland more promising for further construction or investment Opportunities exist in all sectors: New industrial and office

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developments include a sports and

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ecting

ccountancy

Major challenges lie ahead for the profession, partly because of its flourishing membership and partly because of the increasing spread of activities into industry and other fields. It will be the task of the professional bodies to resolve these issues satisfactorily

Mounting problems

of success

BY BARRY RILEY

BRITAIN'S accountancy profession remains a strong growth sector within the buoyant financial services industry. According to figures compiled by the Financial Times, the big accountancy firms pushed up their fee income by an everage of something like 15 per cent last year, despite the economic recession.

No similar figures are available for the myriad small firms BRITAIN'S accountancy profes-sion remains a strong growth sector within the buoyant finan-

of accountants but they are likely to benefit from the growth of small businesses generally. Meanwhile there continues to be a strong demand for financial executives in industry and commerce and the employment of qualified accountants in the civil service

certainly there has been an extraordinary expansion in the profession. In the past 20 years the membership of the biggest accountancy body, the Institute of Chartered Accountants in England and Wales, has risen from 35,200 to 73,300. In only a decade the membership of the liquidation and tax advice are Association of Cartified below the membership of the liquidation and tax advice are association. Association of Certified being supplemented by manage-Accountants has risen from ment consultancy, computer 14,490 to 25,980 and that of the Institute of Cost and Manage and other related business ment Accountants from 13,400

recession.

No similar figures are available for the myriad small figures of accountants but they are students possess university degrees, and indeed something like one in eight of all male graduates in the UK enter the

Business career

accountants in the civil service is expected to double within the next ten years despite an overall fall in the total numbers of civil servants.

Certainly there has been an extraordinary expansion in the extraordinary expansion in the serving the way for a general brainness extraord.

accountancy fixes a rapid diver-sification of activities is taking place. Traditional professional specialities like auditing, the members are not in prac-tice at all but work in industry in the liquidation and tax advice are being supplemented by manage-

All this growth in numbers Perhaps there are now a few and in spread of activities is

ancy Bodies, the profession's top umbrella organisation, only the ICMA and the Chartered Institute of Public Finance and Accountancy remain compara-

The three institutes chartered accountants—English. ships which straddle both prowhile the same applies to the ACA (which also has a signifi-cant public sector member-

The greatest problems have been faced by the biggest body, the English Institute. It is preparing for major decisions on two fundamental issues, those of advertising by individual firms and of student training outside public practice. tice. An even more important debate is going on about the whole question of the direction, control and regulation of the

In recent years the Institute has become increasingly diffi-cult to govern. For a long time its Council has effectively been dominated by partners in the big professional firms, who are in a position to be granted the time and resources needed to take an active part in the to take an active part in the

FINANCIAL TIMES SURVEY

Tuesday November 8 1983

Some two years ago the Council decided that it was time to take a fundamental look at the Institute's structure. As a first step it commissioned Mr Robert Tricker of Nuffield College, Oxford, to produce a study. This, entitled "Governing the Institute," was published

last spring.
It was intended to stimulate a wide-ranging debate and a long period of discussion is scheduled. At present the Institute is assessing members' initial responses and at some stage in the spring or early summer next year the Council will publish its own Green (dis-

cussion) Paper.
There will be no firm proposals but the idea will be to narow down the options so as to focus the debate. More soundings will be taken, and then in the spring of 1985 the plan is to produce a set of much more specific suggestions as a kind of White Paper.

Focusing debate

Even at that stage, however, the Council will not be ready to put its views to the test. The final version of the proposals will not emerge until early in 1986, to be voted upon by the membership in June of that

in the Tricker report included the need to organise members and commerce; most of the the need to organise members remainder are partners in small into more coherent interest firms or are sole practitioners. Accordingly it has become increasingly difficult for the Council to reflect the wishes of tary of the Institute into a more the membership and there bave been several embarrassing votes in the Tricker report included the members included the nembers included the newbers included t

putting considerable pressure in which the opinions of the manifest—notably over current subtative Committee of Account-cost accounting.

Some two years ago the bership were formally recognized organisation, only the ICMA and the Chartered time to take a fundamental might then be only a small step to the contract of to adopting an overtily federal outright splitting of the Insti-

Whether or not the future brings an actual splintering of the English Institute it is ceraccountancy professional bodies moving much closer together. Although they co-operate in such matters as accounting standards and the promotion of a junior professional body, the Association of Accounting Techtheir separate roles.

Only a few weeks ago the English Institute learned that it had been successful in squashing the attempt by the ICMA to change its name to the Institute of Chartered Management Accountants. The English Institute persuaded the Privy Council, which has jurisdiction in matters concerning Royal Charters, that for ICMA's members to be called "chartered management accountants" would lead to confusion in the

minds of the public.

As it stands, this argument is hard to follow because management accountants do not deal with the public. The real purpose was to protect the title "chartered accountant," which carries the highest prestige in

the profession.

The English Institute is now seeking to press home its ad-vantage. It is testing a corporate advertising campaign in parts of the North of England, with the slogan "Talk to a chartered accountant." This is a response to the pleas of small

Top 20 accountants by fee income

Ranking	Partners	Profes- sional staff	Staff/ partner ratio	Total professional staff	Feas* (£m)	partner ratio (£'000)	by fee/	profesal. staff ratio (2'000)	fee/total profesol. staff ratio
I Peat Marwick Mitchell		2,806	14.47	3,002	64.3	331.4	2	21.42	12
2 Deloitte Haskins and Sells		2,440	9.57	2,695	60.5	237.3	8	22.45	5
3 Price Waterhouse	185	2,086	11.27	2,271	60.2	325.4	3	26.51	2
4 Coopers and Lybrand	205	2,220	10.63	2,425	60	292.7	4	24.74	3
5 Ernst and Whinney	188	2.233	11.88	2,421	52	276.6	6	21.48	11
6 Touche Ross	166	1,976	11.90	2,142	48†	289.1	5	22.41	6
7 Arthur Young McClelland		-,0.0		2,122	100	MOJ.J.	3	Lever	0
Moores	173	1,983	11.46	2.156	46	265.9	7	21.33	13
8 Thornton Baker		1,947	8.85	2,167	40	161.8	15	18.46	18
9 Arthur Andersen		1,183	12.07	1,281	35	357.1	1	27.32	1
10 Thomson McLintock	140	1,280	9.14	1,420	31.6	225.7	9	22.25	8
11 Binder Hamlyn	126	1,047	8.31	1.173	26.5	210.3	10	22.59	4
12 Spicer and Pegler	125	1.050	8.40	1,175	25.25	202.0	13	21.49	10
13 Pannell Kerr Forster		1.127	7.22	1,283	22.6	144.9	19	17.61	20
4 Dearden Farrow		504	5.09	603	13.5	136.4	20	22.39	7
IS Neville Russell	88	464	6.82	532	11.5	169.1	18	21.62	9
6 Sley Hayward		493	8.80	549	11.4	203.6	. 12	20.76	14
7 Kidsons	70	501	7.15	571	10.75	153.6	18	18.83	17
18 Robson Rhodes	65	492	7.57	557	10.5	161.5	17	18.85	18
19 Hodgson Harris 20 Armitage and Norton	42 35	377	8.98	419	7.7	183.3	14	18.38	19
to the same of the		335	9.57	370	_7.3	208.8	11	19.73	15

AND THE RESERVE	Onoth	er pages .	
International firms	II	Training in industry	ш
Standards	П	Technology	īv
Small firms	п	Europe	IV
Public sector	101	Insolvency	IV

troversial proposals for adver-tising but there is also the much botter subject of advertising by individual firms, over and above the "tombstone" advertisements in local papers already permitted after dis-cussions with the Office of Fair

Trading.
The Scottish Institute and the ACA remain opposed to liberal advertising rules hut strong pressures are building np within the English Institute. It has just published liberalisation proposals which may be implemented next spring if the membership gives a favourable

The demand for freedom to advertise reflects the broaden-ing business spectrum of

could be said to be both unprofessional and an avoidable overhead. But increasingly they are coming up against competition from non-accountants, who suffer no inhibitions in promoting themselves.

Until recently the problem was mainly confined to the big firms, whose marketing and publicity departments routinely come within an inch of breaking the Institute's finely drawn rule book. But even smaller firms now feel the need for promotion, with the clearing banks, for example, seeking to move into personal tax advice and small company accounting

The commercial logic ls clear success.

to do something more effective they were primarily competing strong element of opinion to promote their services.

This is one of the less continual business, advertising which argues for a conservative advertising which argues for a conservative approach. Accountancy is a profession, not a business. Accountants have been granted privileges—notably the auditing monopoly—on the understanding that they will put professional judgment first and commercial self-interest a long

> Such criteria are hard to apply, however, when the big firms of accountants bave hecome multinational financial services conglomerates, with a highly competitive instinct. The challenge for the future is wbether the profession's institutional structures will be able to cope with the problems of

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Challenge to the Anglo-Saxon giants

Saxon dominance of the inter-national accountancy profession policy is being challenged.

At the level of standard set-ting the UK and U.S. models are copied throughout the world and will always form the basis its strong international identity, of best international practice—and in the longer term PW but at the level of the profes-intends to reduce the number sional firm, attitudes are chang-ing and the international firms of member firms, presently 20, to a relatively small number of are having to come to terms regional firms. All PW partners with the increasing strength of are members of their national

The growth of the Big Eight still continues apace. Peat Marwick Mitchell, for example a dightly more regional reported a 7 per cent increase in world-wide fee income to \$1.23bn in the year to June. It was earned by a staff of 27,000 wbo worked 29.6m chargeable

Tha top firms maintain their dominance by piling very con-siderable resources into train-ing and research so that they can command some of the hest students, tap the largest resources—and usually charge the highest fees. resources are particularly advantegeous in keeping up with technological changes, hibited from est Arthur Andersen has estab- in that country. lished a clear lead in the pro-vision of software and deta processing consultancy among the accountancy firms. Others have concentrated on developing advanced computerised

have found that they need to build up the proportions of local nationals employed at all levels fore, to bave e strong national

for example bas a policy that in every country where it practises the organisation should be conducted and led by local nationals.

However, it wishes to keep

a slightly more regional approach, allowing netional firms more autonomy, though they still operate within an integrated management style and meet within regional groups. The Continental Europe E & W seeks national staff with local accountancy quelifications. It is not concerned whether the steff receive either a U.S. or UK training. This policy averts the kind of criticism of Anglo-Saxon domination which so offended the French and resulted in the international accountancy firms being pro-hibited from establishing offices

Mr Eddie Bartholomew, senior partner of E & W Europe, says that in the last year out of 24 new partners eppointed in the region 20 were nationals. "We find that about udit support systems.

All the international firms Italy, Spain and Africa is ave found that they need to national rather than referral wild up the proportions of local work. It makes sense, there-

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according to the worldwide standards of Ernst and

Whinney," he says. The trend towards employing nationals has limited the opportunities for expatriate accountants on the audit side, except for countries where the indigenous profession is unable to meet the needs of the firms. But there are still opportuni-

International firms

ALISON HOGAN

ties on the non-audit side, in tax and management consult-

The hig firms see their main area of growth in the consulting field, leaving the audit, perticularly of smaller national companies, to small accounting firms. Mr Bartholomew admits that in the next 10 years E & W could see its non-audit work grow to ebout half. The firms are building up special areas of expertise in either office automation, health care, financial institutions or development

This trend has left a lucra-tive area for medium-sized accountancy firms which is counter markets has also being filled by an increasing expanded the demand for cornumber of international federations such as Klynveld Main medium-sized company.

KMG is a worldwide account-

TRADITIONAL Anglo by local offices. Price Water partnership, though we then ing organisation consisting of meet frequently to discuss dominance of the inter- house, for example, bas a expect our staff to operate well established national firms practice development and the including Thomson McLintock in the UK, Deutsche Treuhand

each other.

in Germany and Sanwa Tokyo

Marunouchi in Japan. Its philosophy is of dual identity

within each country, national

and international." They supplement national staff with expatriates when they are needed to service international

clients with subsidiaries in that

particular country.

The established accountancy

organisations which have been discussed so far bave been within the Top 10 UK accountancy firms. Some interesting

firms a little further down the

arising from the implementa-

The growth in venture capi-tal investments and over the

These trends in prectice development have encouraged

different kind of international

Their basis is mainly one of

statements

Another organisation, DHI International, was founded in February 1982 to offer international cover to the clients of each of its members. Walter Hoffman of Howard Tilly in the UK says the arrangement has proved most effective. "The flow of business in recent years flow of business in recent years has been from the Continent rather than the U.S. and we have found that the referral work has gone up since joining DHI International." Typically the companies they deal with are in the film to f5m turnover

new developments have come about in the last couple of years hetween accountancy range.
Another kind of accounting network for small firms has been established in the U.S. and is spreading around the world.
One such group, the International Group of Accounting Firms, provides a back-up of staff training and conferences for smaller firms that wish to been their corn identity. They The smaller firms are benefiting from the increase in accounting and auditing work for smaller firms that wish to keep their own identity. They conduct peer reviews approximately every three years and demand a high level of active participation by member partners within regional groups to encourage a high and uniform standard of professional practice. tion of the EEC directives on importance attached to the audit statement and the need for a "true and falr" view has enhanced the standing of the profession in some countries which traditionally paid scant regard to the preparation of accounts for external use.

few years.

IGAF, administered from as executive office in Miami, bas 51 member firms with total fees around \$120m. It has only two firms in the UK, including the 10-partner firm of Levy Gee in London, though the number is expected to increase in the next

With publicity restrictions likely to last, accountancy firms link-up from the mergers which characterised the seventies. are going to be able to market themselves more easily. This referral and assistance between trend, coupled with the growing national firms. Dunwoody Robson Strength of national professions son McGladrey and Pullen is in many countries, is likely to one such group, to which the UK encourage more international partnership Robson Khodes federations of firms in more partnership Robson Rhodes federations of arm belongs. The managing part-healthy competition ners of the European arms Anglo-Saxon giants. healthy competition with the old

Campaign aimed at local business

Small firms

ALISON HOGAN

IN NEWCASTLE the chartered accountants bave been "coming out from under their bushel" according to the President of the English Institute of Chartered Accountants. This

corporate advertising which if ants, for many people do not deemed successful will be realise the distinction."

repeated in other regions of She dismisses competition the country. The beneficiaries should be the small accountancy should be the small accountancy firm which is feeling in-creasingly threatened by com-petition from unqualified accountants who offer simple eccounting and book-keeping services and from the banks; both parties can edvertise their services freely.

Institute's ensconced in the grandeur of Moorgete Place, has often been criticised for domination by Big Eight representatives. The vast majority of its practis-ing membership, bowever, is scattered around the country in small High Street firms, only occasionally appearing to vote down motions on integration or inflation accounting or advertis-

Many of them oppose change hecause they fear the harsh impact of competition. Some are concerned that if a peer review were conducted they might fail. They are not alone in their concern. Solicitors face similar threats to their traditional source of income. Upstart hankers who advise on a cash-flow system are little different. flow system are little different from the upstart building societies which are considering schemes to simplify conveyencing and so wipe out a source of income which constitutes no less than 50 per cent of all

solicitors' fees.
Yet why should the professions escape tha rigours of economic change any more than other aection of industry commerce? Sir Gordon Borrie Director General of the Office of Fair Trading, fights a hard hattle when be calls for a lifting of restrictive practices and asks whether the profes-sions are guerdians of the pohlic interest or simply a privileged

Ms Barbara Culverhouse is a highly respected small practi-tioner end member of the Institute council. She believes that the divisions within the

and the scope for advertising is-not so much between the large and small but rather a differ-ence of generation. "People of my age group think of the pro-fession as something years." fession as something very special. We would never have believe the best advertisement is ourselves and our clients."

She recognises, however, that younger accountants setting up week they end a seven-week some form of publicity. "We should let the public know what smaller businesses in the North-East." we can do, whether we can offer tax or insolvency services—and that we are chartered accountants, for many papels do not service the should be no free for all with companies doing what ever they like the should be no free for all with companies doing what ever they like the should be no free for all with companies doing what ever they like the should be no free for all with companies doing what ever they like the should be no free for all with companies doing what ever they like the should be no free for all with companies doing what ever they like the should be no free for all with companies doing what every concerned that the should be no free for all with companies doing what every concerned that the should be no free for all with companies doing what every concerned that the should be no free for all with companies doing what every concerned that the should be no free for all with companies doing what every concerned that the should be no free for all with companies doing what every concerned that the should be no free for all with companies doing what every concerned that the should be no free for all with companies doing what every concerned that the should be no free for all with companies doing what every concerned that the should be no free for all with companies doing what every concerned that the should be no free for all with companies doing what every concerned that the should be no free for all which is the should be no free for all which is the should be no free for all which is the should be no free for all which is the should be no free for all which is the should be no free for all which is the should be no free for all which is the should be no free for all which is the should be no free for all which is the should be no free for all which is the should be no free for all which is the should be no free for all which is the should be no free for all which is the should be no free for all which is the should be no free for all whit is the should be no free for all which is the should be no free

She dismisses competition from the hanks and other finan cial services. "We have nothing to fear from such competition Our days are not numbered. The good small practitioner has a great future.

Modest element

Small practitioners bave in eneral opposed any simplifying of andit regulations for smaller companies. If small the need for a full audit then a large source of work would disappear. But the growth of all-round accounting services should make the actual endit work a modest element in their overall generation of fees.

The presence of small busi-ness services within banks and the growth of venture capital concerns which advise on financial management have forced accountants to emphasise those other services.

Accountants are also taking a

more prominent role in the local community to increase the public awereness of their akills and experience. In the North East, for example, they are involved in the Citizens Advice Bureau; they give an hour's free edvice under the first-time entrepreneur advertising entrepreneur advertising scheme, and lizise with the De advertising partment of Industry, the Small Firms' Centre, Durham Univer-aity Business School, local authorities and are represented on the panel of the Tyne and Wear Enterprise Trust. Some feel this is the best way of publicising themselves. Others seek a greater degree of com-mercial edvertising.

Not all small firms fit into the sleepy image of provincial commerce. A number of accoun-tants, often trained with well known international firms, have decided to leave the fold and set up on their own, preferring the freedom—and often quicker route to partnership—that a smaller firm caunot offer.

CONTINUED ON NEXT PAGE

Main setting process to be speeded up

IAN HAY DAVISON is well pared mainly for use by peninto his second year as chair,
sion scheme members and
making its stately progress
through the old consultation
making its stately progress
through the old consultation
category of "lesser" matters,
mittee. In between long bouts suitable for the SORP treatlicking Lloyd's into shape as its first chief executive he has membership of the ASC, con-sign SSAP 16 to the acrap heap of failed attempts to account for inflation, and created e new watered-down form of pro-nouncement with the unfortu-nate acronym of SORP.

A Statement of Recommended

Practice will be a new non-mandatory recommendation of best eccounting practice left to the discretion of the directors rather than the auditors. It is the ASC's solution to mounting criticisms of "standard over-load" from hard-pressed businessmen facing ever-growing audit bills. It may be used as the escape route for the accountancy profession out of the intractabla problem of inflation accounting.

As Mr Davison ruefully com-mented on inflation accounting in e key-note speech in Sep-tember: "This problem has been with us for far too long. People are becoming bored by it." Ha went on to sey that it is not only the major task facing the ASC currently, "but in my view an issue on which the credibility of our whola profession depends."

Yet a solution seems no nearer than it did when the

debate began in earnest some 15 rears ago. Tha ASC is scheduled to produce a new exposure draft for discussion in January. The ASC subcommittee headed by Mr Stanley Thomson will produce a draft for discussion when the ASC next meets on November 30.

The key elements will include a requirement that all entities reporting under the true and fair convention must report on the effect of changing prices where this is "material." But there will be fieribility, with larger companies given more detailed guidelines than smaller

The London Society of Char-tered Accountants, the largest and most influential of the Institute's district societies, recently canvassed its members about the future of SSAP 16. They are agreed on the need for a single method of account-ing for inflation and prefer to show the effect of changing prices in accounts by way of note or supplementary state-ment. But they could find no consensus as to just what method of accounting should ba adopted. They reject both "current purchasing power" and "current cost" SSAP 16.

prefer that the standard were further delayed than that an un-satisfactory compromise emerge. Such delay is unlikely to fit in with Mr Davison's plans and concern to maintain the profession's credibility. The future of the profession's standard-setting role was top of the agenda at the ASC's meeting with senior partners of the top 24 account-ing firms in June.

The ASC has been restruc-tured to overcome the danger that standards would be seen by the public as e "crutch for weak anditors." It now in-cindes users of accounts, representatives from Whitehall and a legal adviser.

Mr Davison explained to the partners that there ahould be a clear distinction between disa clear distinction between dis-closure requirements and accounting and that good dis-closure was no substitute for good accounting. The new ASC would concentrate on the latter.
There would be fewer standards but ones which were unambiguous. Where there is conaminguous. where there is con-tention, where "best practice" has not yet emerged, then the lower form of pronouncement, e SORP, should be used. The first SORP is likely to be

on the subject of pension acheme accounts. It is a spe-cialised area of accounting pre-

A SORP is non-mandatory, though companies will be en-couraged to comply with their provisions. There will be no

Standards

ALISON HOGAN

sanctions for non-compliance, nor is disclosure required. Besides pension funds, other subjects which seem likely candidates includa segmental reporting and charities.

In another step towards devolving the standard setting role, responsibility for the development of good accounting practice for specific industries will be given to the industry

will be given to the industry groups themselves. They will prepare SORPs as required for their industry, whether oil and gas or ahipping, and have it epproved or "franked" by the

dard setting process is going to be speeded up. The present exposure draft will be replaced by a Statement of Intent giving a broad outline of the proposed content of the standard. The intention is to elicit discussion on the ideas and principles behind the standard rather than an argument over detail.

ment of Intent was published in

July on "ED 30 accounting for goodwill, a decision on future strategy." It revealed that "on pragmatic grounds." the ASC had decided to allow an exception to the general rule that goodwill should be elimi-nated from a balance sheet by an immediate write-off to reserves. The exception would be "a narrow gateway," rarely used, allowing amortisation through the profits and loss account, a practice which is mandate.

The proposed standard on standards to come.

accounts it cannot be demoted to a SORP, and as ED 29 it has progressed too far to take the short-cut of a Statement of

Intent.
Still, it is nearing the end of the road, having only a fiscal obstacle in Ireland to overcome before gaining the necessary approval of all six bodies in the CCAB.

The Irish Institute supports the proposed accounting treat-ment outlined in ED 32 but fears the taxation and investment consequences for less ment consequences for lessors who currently receive allow-ances and subsidies; from the Revenue which under the standard would probably fall only to lessees. The next Budget in Ireland is likely to correct the anomaly and allow the implementation of the standard to proceed.

Nec

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OUR ACCEXPERI

proceed.

The reforms in standardsettings have not been universally welcomed. Indeed many
accountants have expressed their concern at the trend to ments, seeing it as a step back-ments for the profession, an easy option in the face of in-transigence from within and without the profession.

They agree on the need for mambiguous standards but not if they are to be attained only by reducing the standard to a hald statement of principle The ASC was set up in the first place to bring discipline to the accounting process and to bring recalcitrant companies into line. A return to a rellance on non-mandatory compliance will allow such companies to shirk their responsibility to shareholders and other users of their

accounts:

The future of the whola standard setting process has become caught up with tha future of just one standard, SSAP 16. It would be a shame if disillusionment with inflation "people are bored with it," should dictate the shape of all standards to come



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Liaison group to promote best practice and quality

Public sector ROBEN PAULEY

SINCE Mr Michael Heseltine, former Environment Secretary, told a House of Commons Select Committee during the Governcommutee ouring the Govern-ment's first edministration that the quality of public sector accountancy was "abysmal" a large number of initiatives have been taken to improve both its practice and its image.

Committee, a technical committee of the six professional accountancy bodies in Britain

and Ireland, has mainly been involved in the private sector in British Railways Board, and

areas of common principle and

Now the ASC has gone a step further by establishing a public sector liaison group to promote best accounting practice throughout the public sector, co-ordinate research, act as a forum and provide as a link with those responsible for accounting standards in the public sector. The immediate interest areas will be nationa-The Accounting Standards lised Industries, local anthori-commistee, a technical com-ties, the National Health Service antice of the six professional and local government.

where relevant, and there has Confederation of British Indusbeen close liaison between for try, Mr Ken Morris, Treasurer example, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Treasurer of Somerset County private sector institutes on Council A Treasury official will also be appointed to the group.

Greater emphasis

The increasing attention paid in this sort of way to the quality of public sector accounting and audit reflects the much greater emphasis iaid on the subject since the Conservatives were elected to reaver in 1970. were elected to power in 1979. Numerous Commons Commit-tees have inquired into the conditions of saidit in various parts of the public sector and the Government has launched a concerted campaign to improve internel audit standards and pay more attention to value for more a audit and the catterior.

Tanner, ancial management reports which are supposed to explain ing and accounting for its money and the steps and pro-cedures it proposes to evaluate performance and value for

> The area of most activity in changes to public sector auditing has been in the field of local government, which spends around £20bn a year on current expenditure and whose total current and capital programmes now account for about a quarter of all public expenditure.

Mr Noel Hepworth, the ener-getic director of CIPFA, has spent a great deal of time in reinvolved in the private sector in the development of procedures for "true and fair" company so far are Mr Brian Currie of accounts. However, some of its statements of standard accounts. However, some of its statements of standard accounts. Mr David statements of standard accounts. Mr Michael Mallett of accounts and improve training staff to central department of time in recent years on the application of SSAPs to local authority accounts. Of the 19 SSAPs so cruit more professional accounts for month and the five other members named government departments. SSAPs to local authority accounts of the five other members named government departments. SSAPs to local authority accounts of the 19 SSAPs so cruit more professional accounts for local government departments. SSAPs to local authority accounts of the 19 SSAPs so cruit more professional accounts for month and local matter accounts. Of the 19 SSAPs to local authority accounts of the five other members named government departments. SSAPs to local authority accounts of the five other members named government departments. SSAPs to local authority accounts of the five other members named government departments. SSAPs to local authority accounts of the five other members named government departments. SSAPs to local authority accounts of the five other members named government departments. SSAPs to local authority accounts of the five other members named government departments. SSAPs to local authority accounts of the five other members named government departments.

departmental policy. All de. SSAPs 2, 4, 5, 6, 8, 10, 13, should be stated and 15 have been adopted for the accounts.

SSAP 17 seconds and guidance profess have been published for ciples to be used notes have been published for their use. Three new SSAPs to be edopted—to take effect for to the Treasury how each government department is managing and accounting for its on or after April 1 1982—are SSAP 9 on stocks and work in progress, SSAP 17 on accounting for post-balance sheet events and SSAP 18 on accounting for

SSAP 9 sets out the principles for computing the amount at which stocks and work in progress are included in financial statements and says that where the financial amounts involved are material the cost of goods and materials charged to re-venne on purchases which bave not been consumed by the accounting date should be carried forward to be charged in the accounting period in which they are consumed. The accounting policies which have been used in calculating cost,

The only SSAPs still remain-

Local authorities are currently reviewing the capital accounting systems and until that is complete there will be no movement on the SSAPs.

SSAP 17 sets out the principles to be used in accounting for material events, favourable and unfevourable, which occur between the balance sheet date and freight group.

and the date on which the financial statements are approved. For local authorities the date corresponding to the date on which a company's board of directors approves the financial statements is the date on which the responsible finan-cial officer signs the balance sheet or record of receipts and

SSAP 18 sets out the principles for accounting for con-tingencies existing at the balance sheet date which have not been resolved by the date on which the financial statements are approved.

ing to be considered for their relevance to local authority accounts are 1, 12, 14, 16 and 19. Consideration of 1 and 14 has been deferred because of the debate which might take place on consolidation of local authority fund accounts. That leaves 12, 18 and 19, which are all concerned with depreciation and current cost accounting.

In addition SSAP 16 on current cost accounting has become the centre of a long-running and controversial row in the private sector, with the ASC being immdated with demands for its abolition or, at least, reform beyond recognition. Local auth-orities will six tight with their heads down until that has been

chartered accountant and chairman of the LEP transport

The Audit Commission for local authorities in England and Wales is an independent body of 15 members set up under the Local Government Finance Act 1982. It is responsible for auditing the accounts of local authorities and helping them ensure that their services pro-vide good value for money. The Commission also decides whether a private sector firm or the district audit service should be the auditors for each council. So far auditors have been

appointed to 400 councils, of which 73 have come from private sector firms; eventually the private sector's share of local authority auditing fee income will be around a third. Private firms which have picked up local authority endits include Armitage and Norton, Arthur Andersen, Arthur Young, Binder Hamlyn, Coopers and Lybrand, Deloitte Haskins and Sells, Ernst and Whinney, Peat Marwick Mitchell, Rohson Rhodes, Thomas Mchintock, Thornton Baker and Touche

Not all bas gone as easily as clear that he will not tolerate anything from the private secindependence or perceived independence of audit. Some firms with poor presentations have not therefore won all the audits they might have

start of operations by the Audit the same firm can be a council's on under the chair- auditor and tender for the much manship of Mr John Read, e more lucrative consultancy chartered accountant and work Some firms bave separate consultancy firms under their umbrella and were hoping this would be a way round but Mr Read, acutely aware that this was the source of greatest public concern about the role of private sector auditors and the Commission, would have none

Allay anxiety

It means, for example, that having been awarded Birming-bam's council audit. Price Waterbouse is barred from any of the many expensive consultancy contracts for the council. The firms may be piqued at the loss of substantial income which they had boped would spin off the back of winning the audit contracts but Mr Read's stand against them on this issue has done more than anything to con-firm the independence of public sector audit and allay anxiety Commission, beving established that point, is now branching out into some inde-pendent studies concerned with ceotral/local government reletionships. They will cover the impect on economy, efficiency and effectiveness management of local governsome private sector firms were ment resources, of changes in expecting, bowever. Mr Read the rate support grant formula has made it unambiguously and settlement levels and of spending allocations. tor that either reduces the Such independent inquiries quality of audit or threatens the into politically sensitive issues independence or perceived such as these indicate that the Commission is not a puppet of government, as many critics had feared before it was estab-

lished, and that it could become a considerable force of sorted out.

One of the most important public sector audit develop- infuriated by Mr Read's reso in the years to come.

Decision pending on an emotive issue

professional qualifications among industrial accountants,

although it was recently re-buffed in its attempt to upgrade

The issue has long been debated within the English Institute because of the dis-

crepancy between the training given and the final careers

which many chartered accountants take up. Only half the English Institute's members who are professionally active within the UK work in professional practice. The other half are spread faroughout industry and expressional practice.

Although the Council of the Institute has always been domi-nated by partners in practising

firms, in recent years an indus-trial members' lobby has been

formed and independent groups like the Hundred Group of

leading finance directors (not

quite all of whom are chartered

make their voices beard.

Last December the pressure groups had become powerful enough to persuade a two-thirds

majority of the Council to agree

to take the first steps towards permitting training outside

Accordingly the Council has

embarked upon a process of con-sultation, the first stage of which should be completed by

the end of this month. November 30 is the deadline for es to letters sent out last

July by the Institute's President, Mr Eddie Ray, to members

and also to the chief executives of the 1,000 biggest Buitish com-

practising offices.

countants) have begun to

and commerce.

chartered management

SOON the English Institute of chartered Accountants will be taking a decision on the subject of training students outside train (apart from temporary Accountants has a well-established system of to recruit chartered accountants.

It is argued that an industrial route to chartered accountants the Irish Institute of Chartered accountancy of training students outside train (apart from temporary Accountants has a pilot scheme. of training students outside professional practice—an issue professional practice—an issue secondment) in industry or Elsewhere, of course, the which raises suprisingly strong emotions within the ranks of chartered accountants.

As things crand all.

This contrasts with the precisely out of the need for

chartered accountants.

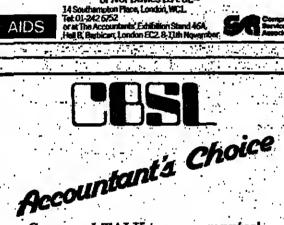
As things stand, all members approach of the Association of of the English Institute must Certified Accountants, which

"THE PROFESSION MUST IMPROVE ITS MONITORING OF SMALL BUSINESSES OR ACCOUNTING FRANCHISES WILL SEW UP THE MARKET ..." Accountancy Age, 18th August 1983, quoting Noel Dearing.

manager of NatWest's small firms division. "NEW BUSINESSES HAVE A MUCH GREATER CHANCE OF SURVIVING THE INITIAL YEARS OF LIFE IF THEY ARE SET UP UNDER FRANCHISE AGREEMENTS . . ."
The Accountant, October 13th 1983, quoting Russell Hawkes, partner of Spicer & Pegler.

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Traditional route Those in favour of broaden-ing the training base of char-

tered accountancy argue that the Institute should not take it for granted that membership will remain the most highly regarded specialist qualification for a business career. High friers in the past have been pre-pared to endure the traditional training route, even though its relevance may have been ques-tionable. In future, aspiring young businessmen may con-sider other alternatives.

developing steadily, for Ti

and also act as a bridge between the practising and indus-

trial memberships. On the other hand it can be argued that to divide the train-ing procedure would contribute to the already troublesome divi-sions within the Institute's membership. Such problems are of course being intensively debated following the publica-tion earlier this year of the Tricker report on the English Institute's structure.

Moreover, there is a strong traditionalist feeling within the Institute, placing great emphasis on the common experience which all chartered accountants have of early training in a

Training in industry

BARRY RILEY

practising office. Professionally, only within one company.

remains the final cutcome by

But in due course the pro-posals would have to be approved by a special meeting approved by a special meeting with the response from mem-of members, something which bers the next step will be to would require a two-thirds seek formal approval in a resomajority of those voting. The lution to change the institute's Council will need reasonable bye-laws. A special meeting evidence that the expense of would be convened, probably at such a procedure would be the time of the annual meeting worthwhile.

route were set up the numbers taking this option would be comparatively tiny.

This reflects the fact that few industrial or commercial companies employ more than a handful of chartered accountents, who would be primarily responsible for the training of any students. However, this would not be problem; small practising firms problem; small practising nrms are in much the same position but group training schemes have been developed for them and could no doubt be set up for industrial companies too.

Institute officials believe it is

unlikely that more than 150 industrial route students would enrol in the first year. But this would not be a reason for abandoning the idea so long as it had the broad support of memers of the Institute.

The move should be seen as potentially part of an aiready changing picture of the training of chartered accountants. At one time most practising members of the Institute undertook the training of one or more articled clerks. But by 1982 only 1,320 out of 11,400 firms had students under contract.

The top 20 firms are now training balf the students. Howpractising once, expressionally, it is suggested, it is very important to have experience in working with a wide variety of clients, giving a breadth which camot be obtained by training where there are six or fewer partners. ever, these firms have many What is seen as vital, for

At this stage it eppears that training in industry as well as responses from members to the in practice, is that there should President's letter are roughly be a stable work environment equally divided for and against with a commitment from a training in industry. If that chartered accountant to super-Council will probably feel than the standard of examinafurther and examining practical questions. ing the extra status of the chartered accountant's qualifica-

tion.
If the Council is satisfied worthwhile.

Some of the practical issues in June next year. Since the Institute's special meetings have are likely to be highlighted by tended to be controversial in the chief executives' questionnaire, which has had only an fierce grasroots reactions, it is naire, which has had only an incomplete response so far but which has already served to highlight one important aspect —that the training capacity of respects could be regarded as a companies is small, so that bardly any think they could cope with more than two chartered accountancy students each year.

If the vote were favourable, the Privy Council would need to give its consent (not necessarily a foreone conclusion if sarily a foregone conclusion if developing steadily, for instance, even if they do not yet have the prestige of their American equivalents. Companies are sometimes finding it more effective to recruit top graduates from university and prepare them for other accountancy qualifications than standard and a storm in a seacup, in that sarily a foregone conclusion if there were opposition from other accountancy would have to be form instance, a firm like Coopers and Lybrand is taking in as many as 250 graduates from university and prepare them for other an argument that the debate is an argument that the debate is all a storm in a seacup, in that

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Small firms' campaign

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TEL RBS Ltd., Regional House, Troy Road., Horsforth, Leeds LS18 5AZ. such a firm. It has four partners we will quote a fee beforehand in High Wycombe and Reading, and stick to it."

Average age around 35, all of whom spent time with Thornton Baker. One is an experiences that the Institute depends enced tax consultant, some have bad lengthy stints in industry, including Mike Beattle who was a financial controller for several years. He feels that the is that we have too many deexperience allows him to have a deeper involvement in clients' business, making it easier to communicate and understand their needs.

in their attitudes and perspec-tive. We have all endited sizeable businesses in our time and a large turnover. We have built small firms which bave a long inp a network of people we can history and, proud of their independence, have turned down pendence, have turned down other firms.

Mr Beattle favours a loosen-Ing of publicity rules to over-come the image of slow service, high degree of family estates expensive fees and stuffy atti-and trust work over the years ing of publicity rules to overexpensive fees and stuffy atti-tudes which is so often associatudes which is so often associa- which required a high degree of the opinioe that all that ted with the chartered of personal contact. It has built effort should be directed more accountant. "If we feel we are on this base and, as it has broadly than towards simple good at certain things, we would branched into other areas of book-keeping and etock checks.

David Bertram, Beaftie is just like to be able to say so. And specialisation, especially taxa-ich a firm. It has four partners we will quote a fee beforehand tion and insolvency, it has kept a High Wycombe and Reading, and stick to it." ners to staff.

on the active involvement of its members to represent them accurately and effectively.

"The problem for a small firm mands on our time to get involved in Institute activities, meiness, making it easier to though we have one partner who is secretary of his local district society," Mr Beattie's comments are echoed by many other small practitioners. We have all endited size-

While David Bertram, Beattie, was only recently established there are other small firms which bave a long feel we are not competent to approaches from other firms.

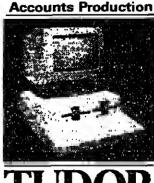
advise on." The City-based firm of Dixon Wilson is one such.

couraged to take outside directorships, giving them directorships, giving them further practical operating experience which can then en-hance the input they give to

There are hundreds of other firms up and down the country each of which, in its own way, decides how best it can use the skills and resources in house. The emphasis on practical experience and providing an input which goes beyond the detached annual eudit visit is obviously increasing. It is reflected in the growing demend for a formal element of industrial training in the professional examinations of the Institute. Certainly most young accountants who finally leap over the final hurdle of the professional exams ere strongly

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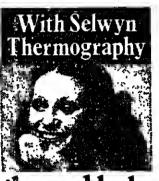
Computer aids coming to the fore

NEW TECHNOLOGY is band of accountants who have make the administ changing the once staid business taken it upon themselves to tion run smoothly. like everybody else, are having

lines the trend. Dominated by computer firms specialising in accountancy applications, the show is full of the latest hard-Computers are finding favour

with accountants as they are with other businessmen. Bence, as is reflected in the exhibition, everyday reporting systems, many based on micro-technology, are much in evidence. On show at the exhibition will be a sprinkling of systems atmed at the accountant in practice. But as recent surveys by the professional accountancy Press have shown, at least half

of the accounting firms in the UK have still to get to grips with computers. But there is an increasing



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is band of accountants who have make the administrative func playing around with computers to sharpen their business hut more likely because they efficiency.

This year's Accountants Exhibition at the Barbican underbition at the Barbican underaccountants who will be using

> Four of the member bodies of Accountancy Bodies (the umbrella organisation for the UK accountancy profession) have set up a computing liaison committee to advise the member

Technology

hodies and give a voice to their

views on trends in the computer Despite its computer liaison committee, however, the accountancy profession's response to the new technology

continues on a largely ad hoc basis, with the large inter-national accountancy practices paying the way. A partner at the Blg Eight accountancy firm of Deloitte Haskins and Sells, Eddy Peers, sees three main areas in which the "computer revolution" is affecting the work of account-ants. First, in "bread and butter" auditing work the computer is playing a much

two or three years ago.

Secondly, the computer is making it much easier for the accountant to keep an eye on his practice. In common use computer programs do things

of accountancy. To survive in write their own software, More advanced are the gran-the present market accountants, perhaps because they just like diosely termed "decision-support systems" designed to help the accountant (or executive) make strategic decisions to further the cause of the business.

Finally, there are "practice support systems," which include the so-called "expert systems" to aid tax planning the Consultative Committee of and similar tasks. These are currently all the rage in other professions for example, with American doctors using computers to aid diagnosis. But the backlash has started with worries that too much reliance is being placed on machine

One way in which the majors

have found computer systems are affecting auditing is, in the are affecting auditing is, in the need to train accountants "in the nature of computer systems." To evaluate a company's internal control the auditor must look for weaknesses in the computer system. 'This means looking at "types of authorisation" within the computer system, going back to the original creation of the program, looking at the rele program, looking at the role of technicians in the system, and the effectiveness of pass-

puter to help them in the veri-fication of eccounts which in a concern of any size will almost certainly be based on some sort of computer system. Since the mid-1960s the large accountancy computer is playing a much firms have been using audit more significant role than even software to interrogate clients

are various computer systems to which the accountant could not help the busy partner keep hope to do as part of an audit," track of time records and to claims Peers.

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THE TENSION between British remain fundamental universal accountants and many of their of approach which the proremain fundamental differences powerful holding companies things. It leans towards the of approach which the pro-gramme of European Com-encouraging a high standard of profession tends to be much munity company law directives has highlighted rather than

visible once again at last munity of month's congress in Strasbourg has hig of the Union des Experts Compbridged. tables, which represents accountancy bodies throughout Europe.
Concerned at the ineffectiveness of the UEC (of which a

ance at Strasbourg) and the growing feeling that money is eing wasted in supporting it, the English Institute of Char-tered Accountants, supported by other UK accountancy bodies, put forward proposals to review the organisation of the Euro-pean profession. This might well result in a merger of the UEC with the Groupe d'Etudes, a specialist body which deals with European Community

symptom was the sparse attend-

Other European accountancy bodies have agreed to discuss the proposal but there is some concern on the Continent that the UK profession—much big-ger numerically than its counterparts in other Community

there is a clear need for a strong European body which will give Europe a powerful voice against the Americans on voice against the Americans on the one hand and the increasingly vocal Third World on the other. At present the UEC is not fulfilling such a role effec-

But will it be possible to forge the required degree of unity among the different factions of

Continentals perceive that the British accountants are pulled strongly towards the Americans, with whom they have strong his-torical, philosophical and com-mercial links. In several coun-tries, notably Germany, there is entrenched opposition to this

Anglo-Saxon pressure.

Member countries of the Community can be divided into three camps in terms accountancy politics.

The UK, the Netherlands and Ireland have highly developed capital markets and accountants there tend to apply a large degree of judgment in their approach to financial reporting. approach to mancial reporting.
The need for accounts to reflect
economic realities—so that
users can make appropriate
choices—has led to the principle
of the "true and fair view"
which overrides specific rules,
But the concentration on judgment has meant that levels of
disclosure are often poor.

The Correspondent traditions is

The Germanic tradition is quite different—but equally highly developed and strongly supported. The finance of com-panies in Germany is dominated hy the banks, with only a quite small stock market. Company reporting is therefore orientated towards the banks and other creditors — who are con-cerned with security and prudence much more than with performance. there are

published accounts.

Attempts to resolve deepset differences

The Germans have a prescriptive approach. Rules take accounts are much more priority over judgment. Characteristically, assets are undervalued and profits are protected by hidden reserves. However, there is often much more datally primitive. there is often much more detail made available for those who are capable of making use of it.
The third camp takes in most of Southern Europe, where husiness and commerce has

Europe BARRY RELEY

traditionally been dominated by secretive family controlled trusts. There has been no great tradition either of raising external capital or of paying taxes. Accounting in Italy or Spain is therefore compara-

ively undeveloped.
Incidentally this has created opportunities in Italy and Spain for the big international accounting firms, which have picked up a number of clients among the largest companies which are prepared to adopt international accounting standards in order to be ship to tar dards in order to be shie to tan the overseas capital markets. But such attitudes have not spread widely through the the Southern European econo-

mance. In France is not easy to place are large, precisely within this scheme of

things. It leans towards the more pragmatic than its German counterpart. Large company

primitive.

Developments have been influenced by various political moves to stimulate the Paris Bourse, with a leading role being played by the securities markets body, the Commission des Operations The first big battleground for

Community accountants over harmonisation was the Fourth Directive on company law.
Originally, before British entry
to the Community, it took a
strongly Germanic line hat its final version embodied the requirement for a true and fair view. However, this has still not been written into German legis-lation, as it should have been.

principles of accounting? Or does it just mean developing ways of learning to co-exist with different principles?

An ambitious investigation of the issues involved in this fundamental dispute between European accountants is being conducted by Mr Edmond Grace of the Manchester Business School. With financial support

a system of generally acceptable a system of grantany accounting principles. He hopes to achieve a common under-standing of the purpose of accounts and what they can and

cannot do.

To this end he has set up panels of accountants, auditors, financial analysis, lawyers and academics in a number of the little.

different countries of the European Community.

Mr. Grace starts from the viewpoint that "accounts see viewpoint that "accounts are to make markets work better and that it will be possible to find a common core of accounting principles in each country. A draft code of true and fair accounting has been prepared. But a great deal of detailed argument lies shead." I believe that the true and fair view his to be broken down link subonit hate concepts." sale. Mr Great nate concepts," says Mr Gree. He has defined ten groups of ideas for investigation, ranging from profit and financial pos-tion to the purpose of enginer.

With such a deep and lasting split in the European profession, it is worth asking just what the future of harmonisation accounts in a particular way might be. Does harmonisation and thet if the principles are accounting? Or tries can be analyzed then there behind them in different com-tries can be analysed then there-should be a way of harmonising the principles. He sees this as being much more constructive than the present legalistic Com-munity approach, which is in seek agreement on procedures but not on reinciples. but not on principl

Mr Grace's main problem will of course be the great Angle-German divide. Although some derman divide. Arthough sometimes castigated by foreignens as being obsessed with rules, the German Wirtschaftsprifer have a very strong tradition of their, own and are sensitive about the artogance of the much bigger Anglo-American

They can point out with some justice that there is a lot to be desired in British company accounts where the practice often falls short of the principle. They have been inclined to argue also that German industry has been much more successful in the long run than British industry—cacing doubt obliquely, on the supposed advantages of British account

ing practices.

But this was never more than
a superficial debating point and with German industry new fall some instances where one side ing behind in newer growth or another has been dissatis-sectors the arguments for a sectors the arguments for a system more orientated to the capital market are becoming more powerfol.

. However, the politics of international accounting are entremely delicate. Edmond Grace insists that "harmonisation shouldn't be one way traffic" He suggests that British accoun-tants should admit most candidly that the Fourth Directive has brought important challenges for them too.

Need to stiffen legal framework

ALMOST 18 months after the publication of Insolvency Law and Practice by the Cork Committee, headed by Sir Kenneth Cork, practitioners are still waiting for Government action on the Committee's universally

welcomed proposals.

The Minister responsible has changed twice in the intervening months, which may account some of the delay, but insolvency experts are increasingly concerned that several aspects covered by Cork should be enshrined in law most urgently.

be that a White Paper will appear shortly after next Easter. The Paper is almost certain to meet most, if not all, certain to meet most, if not all, of the Committee's proposals but practitioners recognise that a thorough overhand of insolvency law and practice in the UK could well take up to 8 years. Most responsible accountants want a short bill now to reduce accountants want a short bill now to redress some of the salient abuses appearing in the re-

A short Bill to straight-jacket

Insolveney RAY MAUGHAN

the activities of what are widely known as cowboy liquidators is seen as vital to inquiators is seen as vital to furn back a tide of disappear-ing assets which, in the words of one prominent insolvency partner, "is reaching the pro-portions of a public scandal."

Coric's proposals embrace a qualification and disciplinary framework for all receivers and hiquidators, although this would not necessarily come under the direct control of the recog-nised accounting bodies. Handling insolvency, as a profession, has been one of the

profession, has been one of the few growth areas of dusiness life in the past three years of devistating depression. But the incidence of well publicised company failures may be about to ease. Mr Richard Turton, who heads the lasolvency department of Spicer and Pegler, calculates the wave of business. calculates the wave of busines early months of this year after two years of "massive growth." He believes that the days of the really spectacular corporate collapse are probably num-bered. However, if the eco-nomy is fitfully recovering, as many businessmen are beginmany businessmen are begin-ning to hope, the upturn brings with it new prohlems. Higher working capital requirements, new marketing and promotional campaigns and bigger wage demands will increase the financial strains on companies just at the moment when sales begin

to pick up.

The bope must be that remedial action, taken early, will, as Christopher Morris, national director of Touche Ross's insolution. vency department puts it, enable companies "to weather the storm." The anecdotal evidence is still somewhat patchy but it certainly does seem that the need for early preventative action is properly recognised and the climate in which company rescues are attempted is growing more

Insolvency partners believe that the banks and company managements have developed a clearer understanding of the problems and of what can be achieved by prompt monitoring and appraisal procedures. For quoted companies, pub-lished accounts and knocked-

out share prices provide the clne to what may be going on below the surface but, in industry as a whole, two complemen-tary and encouraging themes have developed.

Auditors are coming closer to their clients and, rather than just verifying the "true and fair view," are encouraged to detect and give advice on emerging problems. The major banks too are alive to client problems and will introduce in-dependent accountants for an

liaison between the clearers, merchant banks, accountants and many, but by no means all, big institutional funds in the The Bank of England can

claim a substantial proportion of the credit for this emerging spirit of collaboration. Its role has been very much one of a clearing house for ideas and partnership by all sides of the financial restructuring process.

There are, not annuaturally,

fied with the financial com-munity's response to corporate weakness. The case of Stone. Platt is now some way behind us but the ramifications of its dismal collapse, despite the efforts of the institutional fund

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SECTION III - INTERNATIONAL MARKETS FINANCIALTIMES

Tuesday November 8 1983

oil find brings scramble for stocks, Page 30

New Zealand offshore

WALL STREET

Tough week tackled with wariness

FINANCIAL markets on Wall Street found it hard yesterday to make a start to what promises to be a difficult, as well as foreshortened, trading week, writes Terry Byland in New York.

The bond market, which will be closed today and on Friday, braced itself for the outcome of the first auction in the Treasury's \$16bn quarterly funding programme, postponed from last week by the Senate's delay in extending the debt ceiling.

Debt markets were also unsettled by renewed nervousness over inflation prospects.

In the stock market an early advance led by the technology stocks soon fal-tered. Leading stocks drifted down throughout the remainder of the session, and by the close the Dow Jones industrial average showed a net fall of 3.45 to 1.214.84. Turnover was unimpressive, with only 69.4m shares traded. Over the broad range of the market sellers held sway, and there were 970 stocks with losses against only 609 with gains.

Among the major industrial issues, Chrysler opened higher on settlement of the week-long strike at its Twinsville, Ohio plant and, after a brief doubt over

Standard & Poors 500

End Month Figures

= -Av

KEY MARKET MONITORS

1978 - 1979 - 1980 - 1981 - 1982 - 1983 - - Oct

the likely effects of the stoppage on final quarter earnings, shares advanced to \$27%, a net \$1% up. Ford at \$63% firmed

General Motors, however, shed \$11/2 to \$75% as investors backed away pending further developments in the problems at IBH Holdings, the West German construction equipment group in which the U.S. car manufacturer has a 20 per cent stake as well as debt involvement.

The threatened collapse of IBH, number three in the world construction equipment league, was seen as good news for its rivals. Caterpillar Tractor, the world leader in the industry, put on \$1% to \$43% helped by a recordion from Prudential Bache.

IBM shed \$1/4 to \$122%, indicating renewed investment interest as its new personal computer was assessed by the stock market. Digital Equipment, num-ber two to IBM in data processing, added \$1% to \$67%.

The personal computer sector looked brighter, Commodore International re-couped a further \$1% to \$32% and Texas Instruments at \$127% put on \$1% in a further recovery from its decision to quit

the home computer business.
Gulf Oil at \$42% shed \$1% as investors took the message that the board intends to fight off the unwanted attentions of Mr. Boone Pickens of Mesa Petroleum. Mesa added \$1/4 to \$13%.

Defence stocks featured a drop of \$% to \$39% in Lockheed, and other weak in-dustrial issues included Minnesota Min-ing, \$1% off at \$83%, Monsanto \$% off at \$105, and International Harvester \$% off at \$12%.

A. H. Ahmanson, the major savings and loans group, shed \$% to \$26% despite

Index (30-Share)

record earnings, while a turnround into profit left Black and Decker \$\% down at \$24\%.

News was due later from the auction of \$8.5bn in three-year Treasury notes, the opening shot in the Treasury's financing strategy which is still in some doubt despite official determination to

Treasury bill discounts extended the falls which followed Friday's news of a rise in M1 money supply, putting the three-month hill at 8.76 per cent and the six month at 8.87 per cent - seven basis points down in each case.

The 12 per cent long bond of 2013 edged higher to 1002/2, a gain of 1/2 from Friday to yield 11.89 per cent, with the market abuzz with fresh opinions on inflation after a warning on interest rates from Dr Henry Kanfman of Salomon

Municipal bonds were additionally subdued by today's local elections which focus on hefty financing needs of the authorities, with New York's proposed \$1.25bn issues likely to prove an outstanding feature.

LONDON

Rate fears prove no deterrent

EQUITIES continued their advance in-London yesterday, undeterred by predictions that short-term UK interest rates were unlikely to fall this year.

Blue chip industrials advanced for the sixth consecutive session and the FT Industrial Ordinary index closed 3.1 up at

One index constituent, Lucas Industries, ended up 5p at 153p following the announcement of preliminary results slightly better than the break-even forecast by many analysts.

South African gold and related issues had another uneasy trading session with Australians providing the only good performances in the mining markets. Details, Page 31; Share information service, Pages 32-33.

HONG KONG

BUSINESS increased among second and third-line Hong Kong stocks while blue chips attracted moderately active two way trade. Resistance at the 900 level of the Hang Seng index allowed it to finish only at 896.53, up 7.04.

er selling ahead of talks on the colony's future next week. Good demand, bowever, was found for Hongkong and Shanghai Bank which added 30 cents to HK\$7.50 ex-dividend.

Cheung Kong put on 15 cents to HK\$7.55 but Swire Properties fell the same amount to HK\$5.10.

SINGAPORE

A LOWER Singapore trend was subdued in the extent of price falls it inflicted, while isolated good gains were to be found at the same time as a 6.77 dip in the Straits Times industrial index.

Pan Electric, which as the day's most active accounted for 1.5m of the total 8.5m shares traded, jumped 20 cents to \$\$3.42. But United Industrial resumed to close at S\$1.34 against a pre-suspension SS1.43. Prima dropped 20 cents to SS6.30 and Jurong Cement 14 cents to S\$4.60.

AUSTRALIA

GAINS by mining issues with uranium interests led Sydney higher in anticipation - later proven correct - that the ruling Labor Party would approve plans to

western Mining, which will lead a big prospect at Roxby Downs, picked up a moderate 6 cents to A\$3.58 and EZ In-dustries 10 cents to A\$5.66, but better advances were accorded to Energy Re-sources, 18 cents ahead at A\$1.75, and Peko-Wallsend, up 26 cents to A\$6. Steady oils showed Santos 8 cents

stronger at ASS, while outside the resource sector property and cootracting stocks eased but banks and publishers improved.

SOUTH AFRICA

GOLD SHARES drifted easier in very light trading in Johannesburg, in response to the weaker bullion price which remained below \$380 an ounce.

Among heavyweight producers, losses of RI were recorded by Hartebeespoort at R67 and Kloof at R47.

Platinums mirrored golds, but among diamonds, De Beers added 10 cents to R8.70 on some short-covering.

Industrials were mixed with Barlow Rand up 10 cents to R12.30 ahead of annual results published after the market had closed. A recovery in second-half earnings and unchanged dividend exceeded some expectations.

CANADA .

A SLIGHTLY lower tone emerged in slow uneventful trading in Toronto. Eight of the 14 major indices turned lower, with the gold and property sectors leading the easier mood.

A similar downward trend was seen in Montreal, with banks, industrials and papers all recording small declines.

TOKYO

Sidelines adjudged the safest

ACTIVITY was extremely slow in both the equity and bond markets in Tokyo yesterday amid growing uncertainty about domestic politics, writes Shigeo Nishiwaki of Jiji Press.

The Nikkei-Dow market average

moved narrowly to end at 9,316.21, a decline of 0.99 from Saturday, on volume of 122.97m shares, the smallest since June 1982. Declines outnumbered advances 309 to 284, with 195 issues unchanged.

Mr Kakuei Tanaka, the influential former Prime Minister, for his involvement in the Lockheed payoffs scandal, the equity market has been under downward adjustment pressure. Investors sporadically selected speculative and in-centive-supported issues in an effort to put some life in the market, but signs of

yesterday with political uncertainties and the tense Middle East as well as the yen's weakness against the U.S. dollar to send traders retreating to the sidelines.

prevailed in the market on pessimistic speculation that the ruling Liberal-Democratic Party may lose its comfor-table majority in the House of Representatives if the lower chamber is dissolved for a general election this year.

NEC gained only Y50 to Y1,330, despite reports that it has successfully developed the world first super-high-speed non-von Neumann type computer. This attested to the lack of vigour in the mar-

Nippon Kakaku lost Y53 to Y598 on a forecast that the pharmaceutical maker will suffer a setback in profits for the business year ending next May. Tokyu Construction, which had been in speculator favour, declined Y16 to Y641.

Conversely Jusco, Japan's fourth largest supermarket chain, firmed Y47 to

Since the conviction on October 12 of recovery have yet emerged.

The lack of buying interest combined

In particular, an adjustment mood

Blue chip stocks were mixed. TDK rose Y30 to Y4,750, Canon Y10 to Y1,340 and Ricoh Y20 to Y1,010, while Fuji Photo Film shed Y10 to Y2,020 and Toyota Motor Y20 to Y1,260.

Y867 on reports of buying by foreigners. Teijin also gained Y5 to Y181.

On the bond market, investors turned increasingly wary of the yen's steep fall and adopted a hands-off attitude.



EUROPE

Tax break brightens **Brussels**

A THIRD day of good buying demand in Brussels yesterday took the stock ex-change index there 3.05 higher to 126.36, buoyed by advance year-end operations from investors acting to take advantage of the limits put on taxation of investment earnings, a concession secured in the recent Belgian budget. Petrofina, the day's volume leader, advanced BFr 190 to BFr 5,700 while

steel related issues also saw notable activity. Arbed put on BFr 40 to BFr 1,190 ahead of a resolution of tha future of its Searstahl operations; over the last three trading days it bas recovered BFr 104 or nearly 10 per cent.

Clabecq gained BFr 44 to BFr 1,044 but Cockerill-Sambre dipped BFr 5 to

Frankfurt remained unsettled by last week's failures of SMH Bank and building equipment concern IBH, and the Commerzbank index shed 7.6 at 987.3, but blue chips were selectively sought.

Stores drew particular benefit, with Kaufhof up DM 5.50 to DM 264.50. Car makers also did well while Veba, West Germany's largest industrial group, added DM 1.50 to DM 165 on its better profits trend and plan for a maintained dividend.

Deutsche Bank led its sector DM 3.50 down at DM 304, while steel continued to adjust to the Saarstahl difficulties and the collapse last week of the merger planned between

Insurer Allianz relinquished DM 7.50 to DM 784 ahead of its response in the Eagle Star bid battle.

Domestic bonds shed an average 35 basis points as call money pushed above' 5.6 per cent, at which level the Bundesbank set a 28-day repurchase tender. It also bought DM 60.9m in paper, up from Friday's DM 5.8m.

The escalation of public sector pay strikes limited an Amsterdam advance, although KLM still managed a FI 2.50 gain at FI 163 and Royal Dutch FI 2.20 at FI 132.50. Hoogovens revived FI 1.20 to FI 33.70 after a presentation to analysts.

A slightly easier Paris showed Michelin FFr 13 off at FFr 735 ahead of results, and oils not much encouraged by a more favourable petrol pricing policy. BSN-Gervais stood out with a FFr 30 rise to FFr 2,410 on its Pommery and Lanson champagne acquisitions - challenging Moët-Hennessy which fell FFr 12 to FFr

A Bank of France tender sold FFr 1.21bn in six-month Treasury bills at 115% per cent and FFr 3.8bn in floatingrate three-month bills: both drew keen demand.

A higher dollar and U.S. interest rate fears, general dampeners yesterday, were no exception in Zurich which failed to find any other spur to sentiment and thus drifted lower.

Profit-taking among recently favoured chemicals took Sandoz down SwFr 25 to SwFr 7,300 and unofficially quoted Hoff-man-La Roche SwFr 75 to SwFr 9,600. Banks too were dull and domestic bonds lacklustre but not severely affected. Milan moved lower as international

tensions dominated. Banca Commerciale shed L200 to L27,000 and Generale L600 to L134,200 while Olivetti continued to be volatile following last week's news that CIT-Alcatel of France was to take a 10 per cent stake.
It lost L45 to L3,200 but remained

some L66 above its level before the linkup emerged.

Domestic bonds were thinly dealt and ended mixed.

Light Stockholm and Oslo trading brought a mixed result but Copenhagen showed declines across the board.

The Ebic banks bring strength and experience to your financial operations

Over the past 20 years, the Ebic banks have been co-operating with each other in order to offer services which are both innovative Amsterdam-Rotterdam Bank and dynamic to their national and international customers. Their expertise has benefited small, as well as large businesses, importers, exporters, international organisations, states and, indeed, governments.

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Specially created by the Ebic banks are a number of common investments in which either all or the majority of the member banks have important holdings. In Europe, for instance, there's European Banking Company SA Brussels and European Banking

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subsidiaries in New York and their affiliates and branches in Bermuda, Cayman Islands, Chicago, Los Angeles and Nassau (Bahamas).

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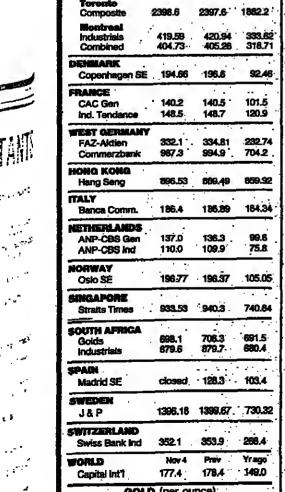
Then there's European Asian Bank (Eurasbank). Headquartered in Hamburg, it has branches in Bangkok, Bombay, Colombo. Hong Kong, Jakarta, Karachi, Kuala Lumpur, Lahore, Macau, Manila, Seoul, Singapore and

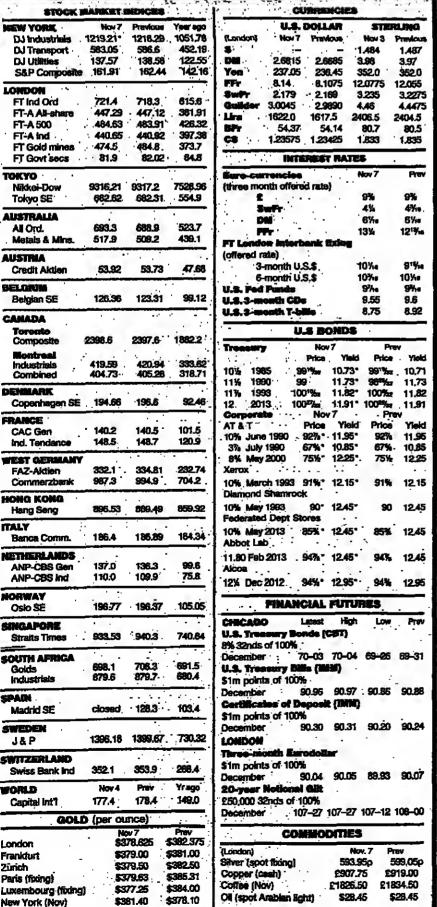
Ebic banks also have important participations in European Arab Bank in Brussels, Cairo, Frankfurt, London and Manama (Bahrain). and in Euro-Pacific Finance Corporation in Brisbane, Melbourne and Sydney.

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Zealand's Wellington and Auckland Stock Exchanges yesterday as brokers scrambled to trade in oil snares mnowing the t ment that traces of oil had been discovered off the Taranaki coast of northeastern New Zealand, writes Dai Hayward in Wellington.

Police had to be summoned to control the jostling crowds waiting for the opening, after which brokers reported heavy trading with many oil shares soaring. Some shares doubled in value and millions were traded as investors rushed to get into what they hope will be an oil boom.

Mr Robert Muldoon, the Prime Minister, last night said he thought that brokers and investors had over-reacted and velopments were "exciting" even though the offshore wells in question had not yet found oil in commercial quantities.

Initial widespread interest in oil shares started a fortnight ago on rumours of new discoveries. But the atmosphere for yesterday's big buying spree started to huild up late on Friday, after the exchanges had closed, when it was announced that the well of Tarana-

The Moki-1 discovery involved posi-tive identification of hydro-carbons above the 1,800-metre level, with plans to continue drilling to around 2,200. The

find has yet to be evaluated thoroughly. Despite an extensive drilling programme for oil during the past five years, recently stepped up, only one field, the McKee near New Plymouth, has been proved to be productive, at

gas and 75m barrels of condensate.

3,000 barrels per day. Other McKee test wells have shown encouraging results, but it is in the rough, deep waters off Taranaki that the main hopes lie. The drilling programme is close to the Maui gas-field area estimated to contain 304bn cubic metres of ki had found traces of hydro-carbons. This grew steadily as the Saturday and Sunday newspapers forecast soaring shares. While greatest interest was in shares of companies connected either with the drilling or those holding options off Taranaki, the oil fever also spread to com-Are you one of Europe's top 500 mpanie

The FT European Top 500 survey gives the Financial Times a publishing first

The FT has devised a way of measuring the value and performances of European companies - a way that is realistic and enables you to compare diverse companies offering a kaleidoscope of products and services.

The yardstick is market capitalisation - the value of each company's share (based upon information from leading European stock exchanges) multiplied by the number of shares in the company. And the survey ranks the top 500 companies.

13 European countries are represented in this year's list. Britain leads with 233 followed by West Germany with 79, on down to Norway, Finland and Ireland with less than 6.

The FT's tables rank the top publicly-quoted companies, including banks throughout Europe. And one table ranks the top UK companies, with an analysis of major UK trends.

The articles which accompany the figures explain some of the surprises - for instance why Marks and Spencer comes No. 48 measured by sales, but shoots up to No. 4 measured on the FT's market capitalisation scale.

The FT survey is a double-first. The first time European companies have been measured in a way which makes comparisons meaningful. And the first of what will now be an annual survey.

This 8-page survey gives you the base for future reference. Reprints are available price £2.50 from the addresses below.

No FT... no comment.

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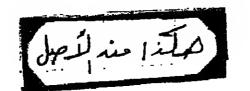
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Ĭ	Nov. 7	Price	+ or	73.8	-0.5 3	Afusulese	746	-6	Full Bask	-10 +3	Angio Am Soid., Barolays Bank	. 112 .	+0.0
i	ABBER	1,190			T 1.0 E	Bank Leu	1,226	+5	Fujitau		Barlow Rand	12.3	+0.1 -0.5
	Bang Int A LUC	4,355		Verein-West 809		Ciba Gelgy	0,215	-10 T	Green Gross		CNA Gailo	. 3.76	-0.5 -0.05
ı	Bekaert B	2,925	1		+0,5	do. (Part Certs).	0.135	-5 -15	Meiwa Real Est. B11		Currie Finance	1 3.9	-
	Cockerill	1.5B	-3	ITALY		Fischer (Geo.h	2,820 580	_17 1	Hitachi Credit 1,937	+10	Driefentein	02.5	+0.1
t	EBE\$,,,,,	8,270 6,300	+45	Nov. 7 Price	矿	Genevolse	5,550	-50 -750	Henda	1 + 2 1 + 10	FS Geduid	39.75 21.6	-0.16
ſ	Fabrique Nat	2,150 2,905	me danne	- Lire		Hoff-Roche 1110.	5,605 5,575	_78°	Hoh (C)	±10 -20	Highveld Steel	4.75 13.26	+0.66
1	GBL (2 rux)	2,285	-30 I	Bastogi-IRBS 173	-5.2	Jelmoli	1.830	+18	wathu	-20 +20	OK Bazaars Protea Hidgs	. 20 !	
	Hoboken	2,455 4,480	-13	Credito Varesino 4.000	+13 -50		4,800		managed in cold and a series of the same		Rembrent	21.5	+05
Н	ntercom Kredietbank	1,B10	+80	Fiat 2,555	+645	Cer-Buchrie	1,270		Jusoo	+47	Rennies Rustenburg	10.6	0,64
П	Pan Hidgs	2,200		Generale (Assic). 164,200	-600]	Sandoz(Br)	7,300:	25 }	Kashiyana 525	+2	SA Brows	7.07	-0,07
	Royale Belge Soc. Gen. Bang	5,700 3,900 2,750	+10 11	talcementi 33.600		Schindler (PtCts)	410	_ 5 1	Kirin		Smith (C.G) Topgaat Holette	21.00	+0.8
1	Soc. Gen. Belge	1,600	+20 (Dilvetti 3,200; -	-46 .	Swissair	804	-1 1	Komateu 486	ļ‡i	Unisec	5.50	
:	BOYEY	4.275; 5,325;	+40	Pirelli Spa 1.456	-14	Swiss Reinsge Swise Volksbk	1,400	+25	are the				
l	Fractionel	3,200. 3,940.	+150	roro Assig 1,180	180	Union Bank	5,300 2,895	_10 _5	NOTES - Prices Individual exchanges	end are t	est traded prices		entings
ľ	Vicilie Mont	3,085.	+15	do. Prof B,290i, -	-110	Zurioh Ins			suspended, and Br div	ridopid. x	to Ex scrip issue		
L			- 2								<u> </u>		
1		-				1			Nov. Nov.	lov. No	V. 1	985	
ı				dices		1.		<u> </u>	7 4		High	140	OW .

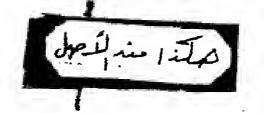
NETHERLANDS

Nov. 7

				· •	-	li.	es						Nov.	Nov.	Hoy.	Nov.	High · 19	Low
MEI	W Y	70 F	2K	E			C 3)			. •	AUSTRALIA All Ord. (1/1/80) Metals & Minis. (1/1/80)	693.3 817.9		887.7 810,2	865.1 504.1	756,7 (12/8) 814,2 (5/9)	487.5.(4/1) 411.8 (4)D
			10.5-20	AL ACM	_		_		983	Since C	numika n	AUSTRIA Credit Alktien(2)1/62)	55.92	53.78	55.72	55,32	DOLS (5/6)	48,48 (12/6
		Mov 7	Eo.	New 3	Herr 2	Nov	Oct 31	High	Low	High	Les							
lodustri	de 12		1218.29	_		1220.2		 -	1	1272.15		Belgian SE (61/12/68)	t28,59		122.58		154,45 (1/8)	180.50 (4/1)
Transp	on 5	83.65	586.9	583.71	584.08	579.3	2 577.1	593.21	434.24	593.29	12.23	DENMARK Copenhagan SE (5/1/85)	194.66	786,6	180,17	.194.74	204,22 (18/9)	100.00 (4/1)
Valida	. 1	37.57	138.58	138.93	148.51	140.22	148.3	148.7 (37/18)		(AVAVE) 163.32 (AVVE)	18.85	FRANCE CAC General (61/12/82) Ind Tendanoe (61/12/82)	148.5	140_8 - 148,7	141.0 148,5	140,9 148,6	141,5 (17/10) 150,7)17/10)	96.1 (G/I) 30.0 (J/I)
Trading 10990*		8048	7288	8545	9650	8446	7946	-		-	-	GERMANY	382.16 307.5	554.81 894.9	687.75 1003.4	-559,49 1007,4	343,06 (25/18) 10 17,8 (25/19)	241.48 (25/I) .227.9 (25/II)
				-	Mor 4	-	1 28 55	Oct 2		fear Age A		HONG KONG - Hang Senz Bank (61/7/84)	896.53	889,49	888.71	855.50	1102.84 (21/7)	000.00 (4/10)
	10	-				1 '		-	1	•.14				7	· 	<u> </u>		100
STANDA	NU AN) POST	s									PALY Banca Comm Ital. (1872)	186,40	186,88	187.75	188.38	214.95 (216	160.46 (10/1)
		New	Her	New	New	Ner	Out	19	83	Since C	-	JAPAN" Hikkel-Dow (18/6/6)	9516.21	BEAL OF	(0)	8544,12	9565,25 (12/10)	7005 15 (9%))
		7	4	3	2	1	31	High	Low	High	Lieu	Tokyo SE New (4/1/58)	682,62	884, 17	(c)	698,24	659.66 (7/10)	624.51 c55/D
Ledust			182.48	183.64		183.99	183.64	183.22 (24)	164.95 [J/I)	193.22	3.52 (MV23)	HETHERLANDS ANP-CBS General (1976) ANP-CBS Indust (1976)	187.0 119.0	128.5 109.9	 - 158_1 118_6	. 154,6 109,8		
Compa		161.41	162.44	163,45	184.64	183.64	163.56	774.99	138.34 (3/1)	170.90 (2/6/8)	1/4/32	NORWAY Oslo SE (411/55)	100)		
				_	New 2		× 21	Oct 1		ear Agel/		SINGAPORE	180,77	130,07	200,41	205,55	217.60 (10110)	- 30(3) - (444
lect div yi lect. P/E					14.24		1.97 4.31	14.4		16.5		Straits Times (1968)	955,56	(c)	940,80	857,52	952,57 (25:6)	712,29 (8/1)
Long Gos	Bond	Ties			11.60	1	1.51	19.9	_	18.1	-	SOUTH AFRICA Gold (1868) Industrial (1868)	(E)	706.8 879.7	' (µ)	701.6 277.5	1698.5 (1)2) 988.7 (29.6)	- 881 4 (1/11) 704.3 (3/1)
MYSE.	ALL CO							WI36	25 ASS FA	415	. •	4 1 1 1 1 1 1 1						1.4. 4.7
Nov	Mer	Nov	New	1	1983				Nov 7	Nor 4	Mer 3	SPAIN Madrid SE (\$1/12/82)	(c)	120,30	: 127.59	127,65	126.5 (4)11)	98,32 (11/8)
-	-	-	-	High 442.62	79.7 DA	79	snes trad Ses		1957 591 972	1960 555 985	1958 668 236	SWEDEN Jacobson & P. (1/1/68)				1412,16	1528.65 (6.8)	286.15 (B/I)
		ــــــــــــــــــــــــــــــــــــــ	<u>. </u>	1001	1 27		and the last		284	421	467	SWITZERLAHD SwissBankCon, (81/19/88					556.8 (8/11)	284.4 (6i1)
PROPERTY.	74.			Her 7	Herr 4	Nov 3	Nov 2	-	figh	183		WORLD Capital Intf. (1/1/79)			, 	178,8		154.5 (8/1)
						1	-	+-		+	<u> </u>			• • • • •				
		طباندر اعطاد		419.55	42LM	427.54 496.5s	422.ES		29(5/5) 29(26/6)		12(4/1) A(5/5)	(00) 5	•>				7 9317.20 TSE	000 D4

	FINAN	ICIAL TIM	ES SUBSC	RIPTI	ON R	ATES		Ī.,			
Please send my								s recul	-1-		
			Position						-		
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MARKET REPORT

Less encouraging background pointers fail to halt

equity rise but Gilts slip back

Account Dealing Dates

Dealings tions Dealings Day
Oct 31 Nov 10 Nev 11 Nov 21
Nov 14 Nov 24 Nov 25 Dec 5
Nov 28 Dec 8 Dec 9 Dec 19

"New-time" dealings may take
place from 9.30 am two business days

article.

"The slightly more optimistic outlook for world debts. Barclays
drifted off to close a net 10 down
article."

"After white Midland. 385p.

the second half of 1984. Seemingly of more importance to markets was October's Producer Prices (formerly Wholesale Prices); after September's unsatisfactory performance, last moeth's figures were deemed to be fairly good.

be fairly good.

Top-quality industrials on the whole made only small progress during the session but, with West Street managing some recovery early yesterday, closed near the day's best. Measuring the trend, the FT Industrial Ordinary share index closed 2.1 up at the session's inshest of 721.4, thus taking its rise over the last six trading days to more than 30

Banks and Stores. Individual features were plentified and included index constituents Lacas
Industries following the announcement of prehimlary results slightly better than the hreak-even forecast by many analysts.

International interest rates nacertainty was a factor in tha Gilt-edged market. Investors were not impressed by reported bopes that the U.S. Treasury would soon resume its Bill auctions despite the impasse with the Senate over its debt support was evident for Garnar with the Senate over its debt support was evident for Garnar while the shorts slipped about i.

Eagle Star new peak:

Eagle Sta

following Press comment sug-gesting that German insurance trical sector, Electro-Protective concern Allianz would return to reflected an investment recom-

Background pointers slightly less encouraging than those of recent weeks failed to temper enthusiasm for London equities yesterday. Blue chip industrials advanced for the sixth trading session in a row, although investors were inclined to switch interest yesterday from leading shares to secondary stocks and slengthy list of situation issues.

Such was the underlying strength of equities thet predictions that short-term UK interest rates were unlikely to fall this year made no impact. The Building Societies, which meet this week to debate mortgage rates, might well defer the widely suggested cut of 1 per cent until the shaden by Sir Terence Beckett's warning, made in his opening address at the CBI conference yesterday, that the UK economic recovery was not all it should be second half of 1984. Seem in the second half of 1984. Seem in the second half of more importance to markets was October's Producer

Background pointers slightly at 445p, while Banks remained firm after last week's merger activity, Hill Samuel, suggested as the next bid recipient in the financial sector, put on 8 to 275p ahead of the interim results, due to never the next short of stock left costain 4 dearer at 228p. Secondary issues displayed a bright feature in Tysons (Contracters), which jumped 10 to 62p in a thin market following better-thanged interim profits. M. J. Gleeson fixed 4 to 190p and French Rier a couple of pence and could run out of steam in the second half of 1984. Seem in the second half of 1984 seem in the second half o

Sp preminm.

ICI slipped to 588p before closing a couple of pence cheaper on balance at 590p. Among other Chemicals, American International, a dull market in the latter part of last work on performance accounts the week on nervousness about the interim results due on November 22, eased 3 to 228p following a broker's edverse circular. Inter-national Paint shed 5 to e 1983

low of 153p; last year, the pre-liminary results were announced on November 15. Wearwell up

session's highest of 721.4, thus taking its rise over the last six trading days to more than 30 points.

Weekend Press recommendations and news-sheet tips brought many pockets of activity, but last week's most popular sectors quietened. This applied to insurances, Merchant Banks and Stores. Individual features were pleptified and included index constituents Lucas Industries following the announcement of preliminary results slightly better than the hreak-even forecast by many analysts.

International interest rates nucertainty was a factor. In that Gilt-edged market. Investors were not impressed by reported

Wearwell up

Recent optimism about consumer spending abated and leading Stores passed a quiet and feetureless session. A couple of noteworthy movements occurred among secondary issues how-sver. Wearwell attracted steady support and rose 8 at 87p on revived hopes of a merger with Mr Asil Nadit'2 other London-quoted activities. Consideration of the Hungarian jeans contract little Lee Cooper a few pence to 120p, while the announcement that chairman Mr R. A. Galliers-Pratt now controls 6.1 per cent of the equity prompted a gain of 4 at 56p in pawnbrokers Harvey and Thompson.

	Nov.	Nov.	Nov.	Nov. 2	Nev.	Oct. 31	age year
Government Secs.	81.90	82.02	82,24	82.22	82.34	82,07	84.8
Fixed Interest	84.97	85,08			85,10		85.2
Industrial Ord	721,8	718.3	714.7	707.8	706.2	703.1	616.
Gold Mines	474.6	484.e	466.2	477.0	444.0	461.3	376.
Ord. Div. Yleid	4.75	4.79					4,9
Earnings, Yld.2 (ful0		9.43	9.47	9.55	9.59	9.59	10.7
P/E Retio (net) (*)	13.20	13.23	13.18.	13.07	13.01	13.01	11.2
	19,847	16,004	20,160			21,014	25,33
Equity turnover 2m.				221,41			
Equity bargains		16,029	10.686	16,812	12,137	16,110	19.96
Skares traded (mil	$-\frac{1}{2}$	130.1	124.4	132.8	1e3.e	127,0	112,

HIG	HS A	ND I	Lows		S.E. ACT	IVITY	,
. :	19	83	Since Co	mpliat'ı	n.	Nov.	Nov.
	Nigh	Low	NI ₂ h	Low	~i	 -	-
ovt. Secs	83,60	77,00	127.4	49,12	Gilt Edged Bargeins Equities	182,2	160,2
ixed Int;	85,17	79.03	160.4	60.83 (6/1/75)	Bargains	103.9 442.9	108.1 436.5
d. Ord	740.4	599,4 (12/1)	740.4	49.4	6-day Avres		

closed little changed after e slow day's trading.

Activity in the Engineering sector was at a low ebb, but leading shares were inclined firmer while secondary issues recorded the occasional firm spot. Carlco rose 4 to 90p and Wiljay ended similarly dearer at 66p, while Press mention directed attention to James Neill, 2 couple of pence higher at 45p.

Metal Box coetinued to make progress, putting on 8 more to later this month. Other misceltop Bats' bid for the group.

The major clearing banks surredged part of last Friday's sharp gains that stemmed from the stem

the good at 592p. Leading issues closed littla changad after e slow day's trading.

Activity in the Engineering sector was at a low ebb, but leading shares were inclined firmer whila secondary issues recorded the occasional firm spot. Carleo rose 4 to 90p and Wiljay ended similarly dearer at 66p, while Press mention directed attention to James Neill, 2 couple of pence higher at 45p.

Associated British Foods improved a couple of pence to 152p following interim profits at the top of the estimated range. Elsewhere, Paterson Feaks put on 10 to 165p, partly on speculative buying, while the 114 per cent Preference rose 23 to 603p. News that Argyll had acquired five more supermarket sites from Dee Corporation left tha former 4 lower at 135p, hnt helped the latter to harden a couple of pence.

Scoteros at 52p at the company's request prior to the announcement that its bankers had heen invited to appoint receivers.

Intervision Video encountered a relatively lively husiness and slipped to 27p before closing a penny dearer on balance at 29p; the preliminary statement is expected today. Among Television issues, LWT A, amual results due on Thursday, firmed 4 to 185p. After last week's useful rally, travel issues encountered profit-takleg, Horizon losing 4 to 131p and Saga Holi-

countered profit-takleg. Horizon losing 4 to 131p and Saga Holf-days 3 to 100p.

Trading nervausly ahead of the announcement, Lacas revealed satisfactory preliminary figures and advanced to 150p before settling a net 5 dearer at 153p.

Dowty added a couple of pence at 102p in response to a "huy" recommendation. Elsewhere in Motors, Hartwells firmed 3 to 87p awaiting today's half-timer, while Jessups, dne to announce full-year figures tomorrow, improved 7 to 74p.

John Waddington advanced 10 to 2 1963 high of 285p following the interim profits recovery and the reiteration of the dividend forecast mads in the company's defence to the hid from %-11ch Printing and Communication; the latter which dividend the company's defence to the hid from %-11ch Printing and Communication;

F.120 F.130 F.140 F.110 F.120 F.30 F.30 F.40 F.170 F.180 F.160 F.170 F.180

EUROPEAN OPTIONS EXCHANGE

0.10 24 48

5.30 2.80 1.40 1.60 1.60 2.60 10.70 8 3.90 1.60 4.50 A 8.60

row'e interim statement. C. H.
Beazer, however, firmed 4 to
286p in front of today's preliminary figures. Town Centre shed
3 to 44p, the increased annual profits and proposed one-for-ten scrip issue outweighed hy property reveluation details.
Elsewhere, Five Oaks put on 3 to 29p following Press comment.
An adverse report about the chairman, Mr Ron Shuck, who has instructed his solicitors to institute libel proceedings, cast a shadow over Espely-Tyas, 7 down at 75p. Associated Tele-communications fell 5 to 98p and London and Liverpool eased 3 to 50p.

Anticipetion of a green light

communications fell 5 to 592 and London and Liverpool eased 3 to 50p.

Anticipetion of a green light from the Monopolies Commission for Trafalgar House'a bld prompted revived investment support of P&O Deferred which rose 7 to a 1983 peak of 243p; P&O bas appointed Morgan Grenfell as financial advisezs in place of Schroder Wagg.

The recent strength of London equilies prompted e slightly firmer tone among Investment Trusts. A notable exception was provided by RIT and Northern which baving risen sharply last week following the proposed merger with Charterbouse, ettracted another brisk trade before closing 4 cheaper at 233p; the Warrants shed a similar amount to 84p.

Financials were enlivened by

Financials were enlivened by the announcement that Citicorp has reached provisional agreement to purchase a near-30 percent holding in London stockbrokers Vickers Da Costa, Exco International, 10 up et 538p, and Mercantile House, 20 to the good et 374p, are both reported to be considering taking a similar bolding in Stock Exchange member firms; sentiment in Mercantile House was additionally buoyed by the presence of 2 broker's recommendation. Stockbroker's recommendation. Stockbroker's recommendation. Stockjobbers Akroyd and Smithers
continued the receot advance
with a gain of 5 at 472p, while
Smith Frothers hardened the
turn to 56p. Elsewbere, Aitken
Hame, duli recently on concern
over the company's involvement
with TV-am, rallied 11 at 185p
following Press comment.

Activity: In the Oil spectra.

Activity in the Oll sector centered chiefly around the leaders. BP improved 6 to 430p helped by reports of the likely proceeds of the group's sale of part of its Forties Field loterests and the start of drilling in the Court Chief Sea Chall sentiment.

Motors (11

Young (H.)

Websters

PAPER (21

Websters

Cropper (Jemes) Waddington proper of its Forties Field loterests and the start of drilling in the Court Chief Sea Chall sentiment. and the start of drilling in the South China Sea. Shell continued to attract support awaiting Thursday's third-quarter figures and put on 8 further to 562p. Among the speculative issues, Berkeley became a lively market and rose 12 to 72p, along with Marinex, 8 dearer 2t 73p, after 80p. Southwest Resources advanced 13 to 70p following Press mention.

Golds lower South African gold and related Flour Corp

South African gold and related issues encountered another uneasy trading session.

Bullion remained 8 nervons market, dipping to \$377 in early trading before rallying to close a net \$3.75 lower 2t \$378,625.

The gold sharemarket was marked down at the outset and held around the lower levels until the after-hours' trade when light support was reported.

Nevertieless, chacing levels left 2 fall of 10.3 to 474.5 in the Gold

2 fall of 10.3 to 474.5 in the Gold Mines index. major losses in the heavy-weights were incurred by Randfontein, £1½ cheaper 2t £72½, and Vaal Reefs, £1½ off at £60½, while President Brand dipped almost a point to £24 and Kloof 3 to £27. Cheaper-priced issues were high-

defence to the hid from British
Printing and Communication;
the latter, which still holds a near-30 per cent stake in Waddington, held at 110p.
Recently firm Properties tended to soften in places as buyers remained on the sidelines.
Land Securities, half-timer dne next Mooday, cheapened a couple of pence to 335p, while Great Portland Estates eased the same amount to 136p ewaiting tomor-

F.1 62,60

18 -13,70

London, Rand London Corpora-tion were changing hands at 24p, compared with Friday's closing level of 26p, and Rand London

Coal were quoted 2t 27p.

The suspensions led to renewe

220p respectively.

Australians provided the only

good performance io mining markets. Western Mining rose 4 to 220p following the Australian Labour Party's agreement on a nranium psckage which will mean the go ahead for the Olympic Dam uranium/copper/

olympic Dam trantim/copper/ gold/silver mice
Demand for Traded Options
declined slightly with 2,236 con-tracts transacted. Substantial
money wes again directed
towards ICI which recorded 446 calls with the January 500 and 600 series both accounting for 201 trades.

NEW HIGHS AND

Eaton Gorp

BANKS (2)

Bank Luumi (U.K.) Mercury Secs
CHEM/CALS (2)

Plysu

CALE (S.)

Casket (8.)

Casket (8.)

Walker (James) N;V

Casket (8.1 Simpson IS) A ELECTRICALS (1) INDUSTRIALS (2)

LEISURE (2) WI A MOTORS (1)

Cropper Cames Waddington (1.)

BRITISH FUNDS (1)
Tressury Do 21-pc II, 2020
CORPORATION LOANS (1)
G.L.C. 134-pc 1984
AMERICANS (1)

RISES AND FALLS YESTERDAY

Corpus. 0em. and Foreign 2 2nds				eame9
Foreign 2 ands e 21 50 Industrials 266 198 923 Financial and Prop. 130 84 312 0ils 31 20 64 Plantations 2 6 72 Mines 16 63 96 79	2 ritish Funde	3	72	26
Industrials				
Financial and Prop. 130 84 312 0 its	Foreign 2 onds		21	
Financial and Prop. 130 84 312 0its	Industrials	266	198	923
Plantations 2 6 72 Mines 1e 63 86 Others 34 59 79		730	84	312
Plantations 2 6 72 Mines 1e 63 86 Others 34 59 79	Oils		20	64
Others		2	6	72
Others	Mines			
Totale		34		
	Totale	488	523	1,552

RECENT ISSUES

EQUITIES

3-	ltaue	Migh Low	Stock	Olivating + or	Net. Oliv. Tinies Covered Orossi Yield P.E.
P. ddhprnil est	\$100 \$120 \$230 \$105 \$105 \$60 \$77 \$91 \$45 \$220 \$65 \$130 \$23	F.P. 7:10 24 201- F.P. 29:11 18 103- F.P. 29:11 18 103- F.P. 211 300 237 200 10:2 220 186- F.P. 22:10 95 73- F.P. 12:10 95 73- F.P. 12:10 95 73- F.P. 12:10 95 73- F.P. 25:11 84 79- F.P. 30:11 107 97- F.P. 603 300- F.P. 25:11 84 44- F.P. 25:11 84 44- F.P. 25:11 35 221- F.P. 31:10 78 68 F.P. 11:11 35 21- F.P. 31:10 78 683- F.P. 4:11 161 136- F.P. 4:11 161 136- F.P. 4:11 161 136- F.P. 4:11 161 136- F.P. 103 103	A. & M. Hire 10p Acorn Computer 1p Atlantis C'mp' tersibp 2rt. Petreleum	223	b0.1 11.1 0.6 14.9 b2.26 6.3 1.1 15.9 20.25 1.2 2.7 12.1 3.3 2.4 4.15.5 12.1 b3.0 3.5 11.2 b9.18 2.8 3.1 16.4 12.10 2.1 0.34% 4.0 3.4 7.e 10.25 2.6 19.5 12.1 2.5 3.6 12.7 12.1 2.5 3.6 12.7
i l	165 100	F.P. 11 11,004 214	Rohr Inds. Inc. U231.00 Telemetrix 3p Tottenham Hotspur	6184 — 14 912	b1.4 6.6 0.9 28.4

FIXED INTEREST STOCKS

5 4	Issue price	Amount psid up	Latest Remuho. date	12 High		Stock	Closing prios E	<u> </u>
ale/	₹100 æ	23 10 30 26 Nil F.P.	10/11	100 r. 100 r. 100 r. 12	2654 1112 60 23 93p 12pm 9976 100	Allied-Lyons 11 ⁵ / ₄ % 0eb 2009 Austrolie 11 ⁵ / ₈ pc. Ln. 2016. Austrolie 11 ⁵ / ₈ pc. Ln. 2016. Alliestol Waterwerks 6.38 Red. Prf. 1988. Int. 2k. for Rec. & Ilov. 11.6° ₅ Ln. 9003 Ireland 12° ₅ % 2008 LASMO 92° ₅ % Cum Red Pref. Lon. 6hop Pref. 9pc Cnv. 94/92 Ser il. Autenwide 10. % 8ds. 9/10/84. Sundid+ 5.6hleidsWtfelppcRef. 1999 Yerk Waterworks 8.75pc Red. Prf. 1988	30 A 27 63 µ 3 pm 100 d 100 t	

"RIGHTS" OFFERS

	lesue 00	Renunc.	1988	Stock	Olesing price +
	<u> ≼ g</u>	• =	High Low	<u></u>	<u> </u>
,	7 NIII 1866 F.P. 39 NII 73 NII 23 F.P. 60 F.P. 60 NII 310 NII 30 NII 20 F.P. 973 NII 120 F.P. 11 F.P. 14 NII 210 F.P.	- 12/12 - 30/11. - 912: - 11/11: - 11/11: - 19/12: - 19/11: - 11/11: - 7/11 9/12: - 26:11: - 11/11:	91 42 9pm 6pm 12pm 27 24pm 4pm 651 47 70pm 86pm 22pm 20pm 4pm 3pm 4pm 60pm 127 49 15 3pm 81pm 948 223 2pm 5pm	Amal, Estates 3p Aran Energy 20p. Aran Energy 20p. Arrow Chemicals. 9ritannia Arrow. C. N. Industrials 10p. Cartwright IR. 10p	2pm + 15 65 9pm + 1 6pm - 1 25 4pm
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OPTIONS

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Stocks favoured for the call included European Ferries,
Parkfield Foundries, Bula
Resonrees,
Hodge,
Dominion International, Belhaven, Johnson Matthey, Metal Sciences, Ramar Textile, Rank Organisation, ICL, Peel, Magnet ACTIVE STOCKS and Sontherns, Eglinton, Shires Investment Trust, Tozer Investment Trust, Tozer
Kemsley and Milibonra, London
and Liverpool, Youghal
Carpets, Folci International,

RHP, David Dixon, Intervisien Conex and Astra Industrial Puts were completed it Security Centres end Pineapple Dance Studios, while double were transacted in Trust Securities, Jehn Brown Dunlop, Lasmo, First National and

LONDON TRADED OPTIONS

ACTIVE STOCKS

Last Last Fer Above average activity was noted in Deal- Declara- Settle- the following stocks yesterday.

FRIDAY'S

l, L, nest	Saxon Gil Ferrant! Applied Cmppr 22rclaye 2enk ICI Lieyda 2ank Eagla Star Gaxe Logica New 2st Inda	14 14 14 13 12 12 12	Fri. close 233 585 390 455 592 483 598 735 230 161	Osys change +28 +20 +25 +31 +31 +0 +7 9 2
i g	Babceck Intl Noneon Trust Midlend Bank Beacham	11	138 222 393 312	+ 2 +11 + 3
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Nov. Fab. May Nev.

Jen. Apr. July Jan. Apr. July

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Brit. Petroleum (* 360	50	1.7	1 70	1 8	111	1	100	14	27 19	19	03/	6	2 4
390 490	29	64	1 48	14	oe l	19 E	1 130	5 2	10	13	3 2	6	7
460	9	19	22	36	48	46	140	<u>, 1 2 </u>		71	29 2	1 10	19
Cons. Geldfields	4671						LASMO (*276) 300	. е	25	1 37	£ 30	ı 39	43 ee 90
460	1 47	64 43	74 e0	43	e2	42 70	330	Ž	14	12	37	60	ee
600 350	12	22	[=	90	60 97	1 70	360 390	9	g	12	97	90	90
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650	1 1	1 4	<u> </u>	123	193	<u> </u>	Lencho (*96)	191	12	14 a 41	1	1 619	1 4
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							240	<u> </u>	16	1 34	10	1 1â	19
Commercial Union 140	(*175)	1 39	1 40			1 3	Racal *905 180	1 62 1	36	46	. 1	. 3	1 9
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G.E.C. (*208)							250	<u> 1 1 </u>	4	7	9	<u> </u>	<u></u>
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Land Securities :*: 280	3371 1 60	1 64		1 2	1 6		Beecham :*690;	:		'	•		
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Shell Transport !'S	62						750 800	37	55	70	eo	80	75
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030	38	32	60	16	20	12 24	Cuest Kepn-100-		**		120	130	196
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Barclays Bank :*44 420	9. I 34	47	60	. 4	10	17	160	20	25 11	22 16	16	10 12	12
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300	2	-9	ıa	e7	57	63	Nov. 7. Tolei Co	niraets 2	,23e.	Calle	1,771	. Pute	465
560	1	4	a	- 1		107	· Un	deriying	ASCRL	ty pric	28,		

FT-ACTUARIES SHARE INDICES

	EQUITY	GROU	PS		Mo	Nev	7	1983) ; *	F	Her 3	Wed Nov	Hotes Hory 1	(Statement)
Fk	& SUB-Si pares in parenthes stocks per	es show			Day Chan		ž	Grose Div. Vield % (ACT at 30%)	Est. P/E Ratio (Net)	Index No.	Index No.	Index No.	Index No.	index No.
1 2	CAPITAL GOOD			- 100		9.1		3.92	13.96	69.18 496.63	409.17	444.12	09.25 67.4	496.87
3	Contracting, Con		(29)	685				5.20	9.16	44.71	667.83	677.A6	677.53	728.12
4	Electricals (36).			- 5673		7.8 4 343		2.25	16.50	1674.00 431.97	1671.65 411.12	1649.24	163A.15	1305.46
5 6	Engineering, Con Mechanical Engi			100		127		5.95	9.71	101.31	197.98	396.30	187.60	199.54
ě	Metals and Meta			256.	+0	5 224	9	7.51	20.01	135.54	155.39	15442	154.60	345.81
9	Motors (18)			一里				4.85		11935	303.96	309.17	188.79	70.69
10 21	Other Industrial I	Materials	(16)	120		1 5.7		4.4	22.57	597.92	534.54 437.29	CD.S	526.87 476.86	373.%
22	Brewers and Dist			446.		- 1		511	9.96	444.53	441.48	443.15	448.66	422.68
25	Food Manufactur		, <u>-</u> -	346	19 +8			5.81	8.76	365.76	991.48 345.61	342.00	303.11	337.84
26	Food Retailing (2000				236	17.62	300570	993.0	99434	991.71	B24.54
27	Health and House	chold Pro	ducts (9)	724				4.30	19.65	722.64	722.71 564.97	713.A2 554.37	763.97 561.65	62.5
32	Leisere (23)	Mehine (7	53	957				5.00	12.96	223.63	927.61	91.65	27.52	\$55.78
33	Packaging and P			197		20.9	7	5.02	11.09	296.07	195.65	192.92	193.23	139.85
34	Stores (47)			407.				3.77	34.59	410.37	465.72	482.34	46.77	375.30
25	Textiles (20)			211.4 462.1				5.51	5.19	209.41 473.28	207.94 478.24	26.12 46.55	207.55 453.33	176.69 655.63
35 39	Tobaccos (3)	190		442				4.71		40.55	441.25	40.72	438.46	139.63
41	Other Consumer (6 (84)		390	5 +0		7	4.42	15.22	393.97	307.38	302.40	300.26	277.29
42	Chemitrals (25)		<u> </u>	566.	7 -0.			4.47	16.41	57.44	953.84	552.74	553.26	366.27
44	Office Equipment	(6)		_ 135				4.63	14.54	111.09 76.52	110.07 76.43	100.40 741.43	145,73 738,26	98.57 538.87
45 46	Shipping and Tra Miscellaneous (4	anders fire	•J	500		8.6		434	13.43	MLS7	498.57	415.43	498.47	301.07
7	HEDWSTRIAL O			440.		1 9.7	4	4.28	12.82	440.92	430.36	403.63	432.90	37.3
š	Oils (2.5)			- 965.	7 +1	2 114	7	(1)	18.41	453.L7	95.77	199.91	434.30	749.48
99	500 SHARE IN			- 404			7	440	12.33	463.02	42.73	476.24	475.26	426.32
61	PINANCIAL ON	HP (12	D	337.0		3	_ [5.70		330.05	332.76	339.28	334.53	260,78
62	Banics(6)			336.				7.61	4.36	30.39	327.74 329.29	333 364	325.65	325.68
63		Haceust Houses (8)		325.7		-		4.95	=	68.3	45.57	62.38	47.10	342.64
65 66	Insurance (Life)			239/			1	6.41	_	234.65	235.63	25.49	275.65	172.91
67	Interance Broker		,	530.2	7 +1.	i 121	6.	5,20	11.27	952.71	456.11	570.11	570.37	525.41
68	Merchant Banks			209.0				4.59		202.10	199.52	298.50	180.44	355.73
69	Property (54)			- 476.4				5.65	22.91	491.96 235.68	4%.52 231.80	49.6	491.54	308.63 178.63
70	Other Financial C	16)		237.			7	4.83	28.39	441.22	6836	234.78 435.16	433.04	342.99
71	Investment Trust			260			4	140	11.50	24.75	268.95	272.90	24.57	277.25
81. 91.	Mining Finance (Overseas Traders			C/0.				8.30	38.28	47132	472.34	414	471.01	373.99
*	ALL-SHARE HE)	447			╗	4.81	-	447.12	444.42	448.82	C00.24	301.91
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-								AVERA	SE SE	LEE.	- 1	Mon	FH	Year
	FI	XED	INTE	REST						YIELDS	1	Nov 7	Nov	- ABD
						. •						'!	4	(abbutas)
				[British	Constru	_		- 1		
	PRICE	Mon	Day's	Fri Nov	1983	1	Low		years		9.81	9.77	1.05	
	MOICES	4	-	10 date	2	Composi		15 years		9.95	9.96	9.45		
_	·	┝┉┉┥		—-┤	3			5 years		9.86	9.25	9,63		
Deffigh Consenses						. I	4	Medica	-	5 3484 15		11.62 10.80	18.95°	19.66 19.58
1 5 mm 117.60 -411 117.60 64						1931	5	Coupon		15 year 25 years		18.27	1824	19.50 19.22
A						11.96	7	High	•	5 yeas		nia l	11.10	18.14
2	5-15 years	148.52	9.22 9.36	12.56	8	Couper	. 1	15 years		10.99	14.97	16.77		
3	Over 15 years	340.EL	-616	148.5		1134				5 years		29.38	18.35	10.33
-	9	1 1 40 40		اككن		22.77	TO S				46	est !	922	-

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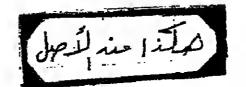
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32	1		Financial Times Tuesday November 8 1983
WOLSELEY	LOANS—continued 1983	FT LONDON SHARE INFORMATION SERVICE	1963 Fries
From Falkirk to Florida we're growing from strength to strength	Financial	BANKS—Continued CHEMICALS, PLASTICS—Continued Continued CHEMICALS, PLASTICS—Continued Continued Continued CHEMICALS, PLASTICS—Continued Continued Contin	Offic. 491 325 (Utd. Scientific. 365 -18 14.0 3.5 16233 43 25 Semportex
Plumbing and Heating suppliers in the U.K. and U.S. Farm and Garden Machinery. Engineering Plastics.	Building Societies	40 27 Marson Fin. 20p. 28ml 61.6 2.1 5.1 (27) 30 10 Seleck involves 10p. 20ml -2 4x3.7 = 430 234 Mercury Secs. 445 95 - 1.0 = 24p. 2 1 Mercury Secs. 445 95 - 4 725.5 3.1 9.5 4.1 25 7p. Ansher Bay 20p. 9 0.0 - 2 6x3.7 = 6x0 6x4 5x	17 9 Al faul Prods. 14 90.01 -0.11
BRITISH FUNDS Price - or Visid	1007; 97	580 F58 (Stema Sest 220 F58) - 045% 98 73 (Seattle (J) A' 83 - 245 3.0 4	- 192 102 Battery Lines; - 196 - 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Shorts (Lives up to Five Years) 1002, 1931; Euch. 10cc 1983	Mg-3 Lens Struct 15 Creat Visid 15 8 Chinese 4-gapt 1896 13	HIPE PUICINGS, Leasing, etc. 45 25 Comb. Eng. 12.59 45 1 1.52 39 5 32 237 Carde's (Hap) 105 30	10 10 10 10 10 10 10 10
107a 100a Each 12°ac 1985 180 & 3 1.48 10.38 101a 97 17ea 10 10c Cre 1986 102.3 -1.3 1.48 10.38 101a 97 17ea 10 10c Cre 1986 102.3 -1.3 1.48 10.38 10	AMERICANS	154 129 Allied-Lyons 142 -1 6.05 124 6.10 9.9 112 52 Froster Brist 75 141 131 141 131 141 131 141 131 141 131 141 131 141 131 131 141 13	7.9 35 13 Entirerfield Hyr. 25 -1 0.5 - 2.5 - 16.5 30 Hz SAlvash John. 100 - 3.5 11 - 4.6 14 14 15 19 10 Caroford Eng. 14 16.5 25 Ang Akriza Fiz. Fig. 1.65 31 12 (A page - 16.1) 13 (A page - 16.1) 14 (A page - 16.1) 15 (A page - 16
Five to Fifteen Years $104\frac{1}{6}$ $\frac{1}{6}$	16 12 Sank America Corpu. 15 15 15 27 7.7 10 12 Sank America Corpu. 15 15 15 27 7.7 11 22 Sank America Corpu. 15 15 15 27 17 11 47 16 16 16 16 16 16 16 1	79 99 Marsten Thompson. 66	7.3 104, 52, 64 or contie Group 11 + 1 + 1 5 - 7.1 - 78 110 80C Group 225 + 2 15.74 135 13.5 24 15.74 13.5 13.5 24 15.74 13.5 13.5 24 15.74 13.5 13.5 24 15.74 13.5 13.5 24 15.74 13.5 13.5 24 15.74 13.5 13.5 24 15.74 13.5 13.5 24 15.74 13.5 13.5 24 15.74 13.5 13.5 24 15.74 13.5 13.5 24 15.74 13.5 13.5 24 15.74 13.5 13.5 24 15.74 13.5 13.5 24 15.74 13.5 13.5 24 15.74 13.5 13.5 24 15.74 13.5 13.5 13.5 13.5 13.5 13.5 13.5 13.5
79's 77. Fending bpc 1973;t: 77's -1, 7.86 9.78 129's 1129; Frestry 13'gc 1973;t: 121's 112's 129's 112's Frestry 13'gc 1973;t: 121's 117's 109's Excheque 13'gc 1994; 113's 113's 109's Excheque 13'gc 1994; 113's 113's 109's Excheque 13'gc 1994; 113's 113's -1, 11.90 11.20 113's 100's Exch. 12'gc 1994; 113's 112's 100's Exch. 12'gc 1994; 113's 112's 112's 112's 112's 112's 112's 112's 112's 112's 113's 112's 112's 112's 112's 113's 12's 112's 112's 113's 113'	201	258 Wals, Duskey 248	7.4 10 74 Ovsike & Soaft Ip. 112 -1 45.25 23 4.112.4 78 134 September Charles) 79 45 10.86 -3.8 1.871.6 1.871.
694 58 Recomption 3r. 1986-96 494 44 56 462 125 107 Treasury 134ger 972 1194 1-19 1159 11.02 10.36 892 Excheque 10.3cc 1997 1001 14 10.26 10.76 892 1254 Exch 15cc 1997 1001 14 10.26 10.76 10.76 10.3	57% 35% (Essent \$1	33 16 Salisy Sen 10s. 23 -1 12 4 7.5 4 161 111 Interded state "AW. 148 -1 145 2.4 4.5 2.4 4.5 2.5 4.8 9.4 32 18 S&U Street 12s. 19 -8	
1222 1064 Each, 12pc 13-17 116-24 -4 10-20 10.12	17% 12% Incition \$1	30 13 Brown Rea. Zep 27 1	294 170 55 Johnson & Firth Sp. 42 130 24 15 15 15 16 16 16 17 17 18 18 16 17 18 18 18 18 18 18 18 18 18 18 18 18 18
Undated Undated	10% 850s Resinted \$5	125	\$\frac{1}{22} \begin{align*}{cccccccccccccccccccccccccccccccccccc
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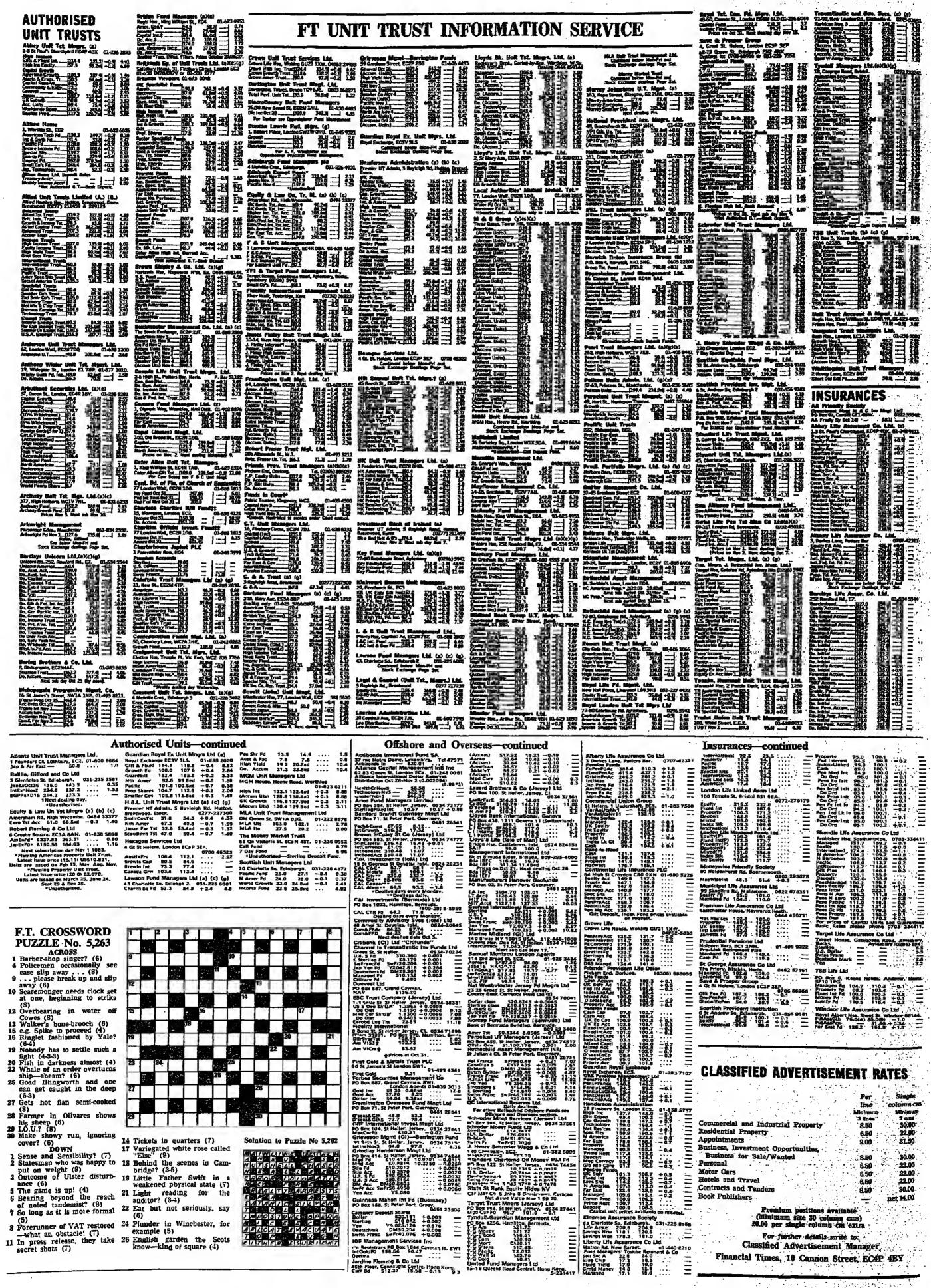
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cover? (6)

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14 Tickets in quarters (7)

15 Pown

1 Sense and Sensibility? (7)

2 Statesman who was happy to put on weight (9)

3 Outcome of Ulster disturb
2 Court of the scenes in Cambridge? (3-5)

3 Dutcome of Ulster disturb
2 Court of the scenes in Cambridge? (3-5)

4 Tickets in quarters (7)

18 Behind the scenes in Cambridge? (3-5)

19 Little Father Swift in a weakened physical state (7) 21 Light reading for the auditor? (3-1) of noted tandemist? (8)
7 So long as it is more formal
22 Eat but not seriously, say 8 Forerunner of VAT restored 24 Plunder in Winchester, for -what an obstacle! (7)

In press release, they take 26 English garden the Scots know—kind of square (4)

14 Tickets in quarters (7)

28 Farmer In Olivares shows his sheep (6)
29 I.O.U.? (8)
30 Make showy run, ignoring

ance (6)

5 The game is up! (4)

6 Bearing beyood the reach of noted tandemist? (8)



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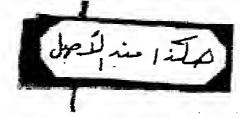
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INSURANCE & OVERSEAS MANAGED FUNDS

INSURANCE & OVERSEAS MANAGED F Financial Times Tuesday November 8 1983 | Commerce
Copper prices under renewed pressure

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER PRICES came under total available supplies to the renewed pressure again yester. western world. day falling to the lowest level since last December on the London Metal Exchange. The higher-grade three months quo-tation droppedto £926 st one stage before rallying to close at £931.25 s toune, £9.75 down on Friday's close. The cash price fell by £11.25 to £907.75.

There were several depressing influences accounting for the decline: The easler trend in gold and silver, the decision by U.S. producers to cut their domestic copper prices by 2 cents to 66 cents 8 lb, and a gloomy report from the Intergovernmental Council of Copper Exporting Countries (Cipec).

The report estimated that western world refined copper consumption fell by some 5 per cent during the first nine months of 1983 while production rose by 2.7 per cent during the

There were, bowever, substan-tial purchases by China and Eastern Europe which reduced tonnes down st 25,950 tonnes.

ounces.

scrap from the European Com-

The association, which represents the ten largest UK pro-cessors of aluminium scrap turned into ingots for recycling, urged that export quotas, which were abandoned in 1981, should

Last month the EEC Com-Last month the EEC Com-mission suspended all export in 1981, are against the Govern-licences for the remainder of ment's free trade philosophy.

Nov. 7 1983

Lutest Ghange

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Nov. 7

(£253-2551g) (£2541g-835) (£254-879) (£254-996)

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LONDON OIL

SPOT PRICES

GRUDE OIL-FOB (8 per barrel)

PRODUCTS—North West Europa CIF rs por tonne)

GOLD MARKETS

Gold fell \$31 an ounce from Friday's close in the London

Friday's close in the London bullion market yesterday to finish at \$3784-379. The metal opened at \$3771-3784 and traded between a high of \$3791-3804 and a low of \$3761-377. There was very little fresh news to influence trading with the deliberal extraorgh inhibiting and

lollar's strength inhibiting any

firmer trend.

In Frankfurt the 12} ki)o bar

In Luxembourg the dollar per ounce equivalent of the 12½ kilo har at the fixing was \$377.25 from \$384.0 on Friday.

53901g 561 \$201 4 802 \$102 1g 105 1g \$48 49 3g \$3901g 390 2g \$8391g 90 g \$83 1g 54

In Paris the 12} kilo bar was

ms fixed at DM 32,700 per kilo (\$379.02 per ounce) against DM 32,960 (\$384.98) previously and closed at \$378\display379\display from Dec \$380\display381\display381

Copper.....£907.76 Cash h grade ...£907.76 3 mthe£951.29

Mesnwhile, copper stocks held

in the LME warehouses rose sgaio last week by 3,000 tounes

pushing total holdings to s five-

The recent declins in slumin-

imum stocks was reversed last

week with 9 rise of 975 to 231,500 tonnes. Aluminium fol-lowed the downward trend in

copper, with the cash price felling by £23.5 to £1,001.5 a tonne

reflecting both trade and specu-lative selling.

Tin stocks rose too by 200 to

42,020 tonnes and LME silver

holdings by 180,000 to 38,240,000

3,700 to 183,150 tonnes - the

lowest level since May — and this helped lead resist the

general decline in values. Zinc stocks fell by 1,000 to 105,000

tonnes but cash zinc lost £6.875

to £574.75 a tonne in nervous

Lead stocks fell again by

year peak of 419,125 tounes.

The ministry promised to take the association's views into con-sideration. But there is considerable opposition to restrictions on exports from scrap

They claim that prices have been forced artificially low and that the restoration of export

Nov. 7 + or Month

E110.6

Sugar talks fail to resolve differences

DIFFERENCES among the world's four largest sugar exporters remained unresolved at the start of informal terday on a future interna-tional Sugar agreement. delegates attending the talks

EEC experts are reported to have made fittle or no bea way in talks among themselves on the possibility of bridging differences with Australia, Brazil and Cubo over the regulatory mechanism for stabilising prices.

Australia bas proposed establishing binding stocking commitments distributed commitments among individual exporters by reference to their average export performance during the previous three years.

Brazil, with some support from Cuba, favours deciding on the overall amount of stocking obligations by first assessing global demand available to exporting members of the pact.

The differences, which have beld np progress at two rounds of negotiations in Geneva, concern the amount of sugar which would be withheld from the market in order to support prices, delegates

Australia, Brazil and Cuba are not convinced the EEC's approach really tackles the problem of supporting prices at reasonable levels at times

of world sugar surpluses.

The EEC, however, is not prepared to go further than its proposal for consultations at the time of falling prices combined with fall-back stocking obligations. World sugar prices con-tinned the recovery begun on Friday with the London daily

Chicken rules the meat sales roost

to schieve one of its long-term ambilions this year — ousting beef as the country's top selling meat. But the industry still has s little way to go to fulfil its other main aim—operating at a profit.

Chicken has undoubtedly been the success story of the UK meat market in the post-war years. From being an expensive treat it has become a staple part of the country's diet and has for some years been threatening beef's troditional supremacy.

"Chicken will hecome Britain's top-selling meat within the next 12 months," the British Chicken Information Service proud forecast has

already been schieved but the industry is holding itself back from premature crowing. Total sales in the January-September period reached 264,033 tonnes, according to Audits of Great Britain figures, overtaking beef at 261,511 tonnes and leaving lamb 171,356 tonnes, pork 171,591 tonnes, and

BY BARBARA DALZELL

roups interested in farm

The Bill is a package put forward jointly by the National Farmers' Union (NFU) and the Country Landowners' Association (CLA). Its main provisions are 6 new formula for arbitra-

tion on rents for sgricultural land and the sbolition—for new tenancies—of the present statu-

tory three-generation right of

The legislation aims to reverse

The Tenant Farmers' Associa-

the decline in farm tenancies,

tion (TFA) broadly sgrees with

THE Agricultural Holdings Bill is concerned about provisions goes to its Second Reading in the Lords today against e background of criticism from many to enable farmers to transfer

refused.

BRITISH CHICKEN looks set Richard Mooney reports on changes in British huge variety of presentations, to achieve one of its long-term eating and buying habits

further back in their wake. So far, however, chicken sales heve not established a big enough margin over beef to encourage the industry to make an official claim to market leadership.

The gap remains narrow enough to be whittled away again by the traditional winter rise in beef consumption before the year is out. The upsurge in overall

chicken sales masks some pro-found changes in the chicken market itself. The week-end market for whole chickens after years of growth and within this market sector there bas been a noticeable movement towards fresh birds. In the 1970s frozen whole

chicken won an 84 per cent share of the market, hnt by last year this had shrunk to 47 per cent by volume and only 37 per cent by value. Part of this lost share has gone to fresh whole chicken, sales of which rose 16 per cent between 1977-82 to

tenancies in readiness for retirement, to remove the

restriction which says that tenants may not appeal to the Agricultural Land Tribunal before the age of 65, and to

over-turn the ruling that prevents a would-be successor going back to the tribunal where an application for a transfer has already been

The association also seeks to

change CLA proposals. that

where 5 tenant farmer with two or three farms dies the transfer shall be regarded as

In theory, this would put two

country merchant buying eupport to pare the loases. Beriey was extremely quiet. New crope egain met country selling with the wheat "A contract losing E2 frem opening level, reports Murrace.

one commercial unit.

Farm tenancies Bill faces widespread criticism

92,000 tonnes, but most has gone to the market for chicken portions and further processed products.

Portions sales rose 18 per cent in 1981 and another 17 per cent last year to 99,000 tounes. This was equivalent to 8 27 per cent volume share but in value terms to a 34 per cent share of

Of this total, uncooked portions accounted for 92,000 tonnes, up from 68,000 tonnes in 1980, with fresh portions increasing rapidly to equal frozen portions at 46,000 tonnes. Fastest growth of all, howrastest grown or an, now-ever, is in the cooked chicken sector. Cooked whole chicken sales rose 13 per cent in 1981 and 20 per cent in 1982 to 5,000 tonnes, while cooked portions gained 27 per cent in 1981 and 43 per cent in 1982, to 7,200

As the most exciting area in the market the BCIS singles out what it calls "special recipe"

reshorhed by landowners

The TFA is also urging the

Lords to introduce a proper retirement policy where the

owner can serve notice on a tenant who is more than 65.

As a quid pro quo, it suggests that leases should no longer stipulate full repair and insur-

The Incorporated Society of

Valuers and Auctioneers wel-comes the Bill hut opposes the

clause which seeks to transfer

responsibility for the appointment of arbitrators from the

Minister of Agriculture to the president of the Royal Institute

of Chartered Surveyors.
Jones Lang Wootton, char-

holdings hack onto the farm tered surveyors, says the rent tenancy market but the TFA review provisions are open to fears that such land will be "imprecise and contradictory"

prepared haute cuisine dishes and with more and more producers becoming involved in new product development the already considerable activity in this area is certain to increase, the service says.

For all the growth in volume sales, however, most of the UK chicken industry is still making insufficient profits. Cut-throat competition in the retail market has had knock-on effects for producers which have made it difficult for cost increases to be

passed on. The net result has been 12 to 15 months of general loss-making from which the industry is only now beginning to emerge. The further-processed sector is believed to be doing reasonably well, as is the wholefrozen chicken sector. But fierce competition has caused many fresh chicken producers to run into the red.

The situation is not helped by a continued rise in imports, which by October 10 this year had reached 33,000 tonnes. nicken lines.

"Chicken lends itself to a Chicken Market 1983.

interpretation.
The Farmers' Union of Wales

opposes the end of the three-generation right of succession,

arguing that the 1976 provisions are fair and reasonable.

stop the decline in the farm rentsd sector must look at ways

of making the partnership attractive by seeing to land-owners' financial needs and pro-

It points out that the present

right of succession does not guarantee that farm tenancies

can be passed on. Only sbout half of those would-be succes-sors who are eligible to apply for a transfer win their cases.

Ctose 79.64 61.24 82.00 82.45 76.25 74.81 75.76

Close 381.4 383.4 383.4 383.0 396.1 402.7 409.6 416.6 422.7 389.0 448.4 454.5 388.5

Close 131.50 125.60

Close 382.8 384.8 386.0 292.8 339.3 406.2 412.8 413.0

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GOLD 100 troy oz, \$/troy oz

423.5 391.0 434.0

20.00 16.20

Low

viding security for tenants.

It argues that legislation to

Tea values jump at London auctions

By John Edwards, Commodities Editor

TEA PRICES jumped again at the London auctions yesterday, continuing the recent strong npsurge in the market. Prices were between 10-20p per kilo dearer. The sverage price for quality teas rose to 237p compared with 214p 8 week ago. Medium grade increased by 19p to 215p and low medium by 7p to 175p.

Trade sources said necks

7p to 173p.

Trade sources said nothing had happened to change the builtsh supply demand situation that has been driving prices up. Prices were also rising at overseas auctions such as Calcutta and Mombasa. as Calcutta and someass.

Buyers are said to be still following the market up and up, even though prices are at the highest level since 1977.

CUSTOMS officials working to rule caused some delays but no major problems at Rotter-dam port.

• THE GOVERNMENT has announced proposals on regulating the exploitation and market ing of natural mineral waters. · FIRE IN A Bradford warehouse owned by London wool hrokers destroyed some wool sold or due for sale but the amounts were not of inter-national significance and sales are to be held as scheduled. • THE GOVERNMENT Is to

support international moves to ban commercial trade in the glant panda and its skins. OYSTER PARMING is being revived in Orkney, where beds were destroyed by over dredging and over fishing. However, there are now 16 oyster farms and growers aim to-produce im oysters a year hy 1986...

• SHANDONG, China's biggest cotton producing province expects a record harvest of fim

Aluminium controls plea

BY OUR COMMODITIES EDITOR

A PLEA for stricter controls the year following a steep rise on the exports of aluminium in sales of aluminium scrap to scrap from the European Com-third countries during the first scrap from the European Com-munity was delivered to the Government yesterday. A dele-gation from the Association of Light Alloy Refiners met Mr David Trippier, Department of Trade under-secretary.

WEEKLY PRICE CHANGES =

eight months of the year. But the processors, who rely on scrap as their raw meterial, are worried about prospects for

mercbants.

Groundnut Linseed Crudo Palm Malayan

GAS OIL FUTURES

Month

July.....

The market opened at the higher and berely moved in vory light trading during the morning. On the reopening U.S. selling began a downward move and orices drapped by about \$2.00 before finding some support, reports Desmire Man.

\$ U.S.

Tumover: 1,325 (2,373) lots of 100 tonnes.

Month | Yest'rday's + or Business

Turnover: 485 (1,055) lots of 100 tray

(£62-63) (£62-63) (£483, 4654) (£308-50914) (£24914-662) (£36014-3674) (£284-86654)

par troy ounce

Yest'day's + or Business olose — Business

per tonne 953,60 — 0.75255,00.55.80 959,75 — 0.50258,00-38.00 959,75 — 0.50259,00-38.50 950,60 — 0.80252,00-38.50 944,50 — 0.75248,00-46,50 943,50 — 0.75248,25 943,50 — 0.50 —

Seeds Copra Phili Soyabean (U.)

raws price gaining £4 to £141. the rent formula proposed hut REVIEW OF THE WEEK

BASE METALS

Othor commodities (1610 —10 E1517 (1600 —10 E1517 —10 E1

‡ Unquoted. u Dac. v Jan. x Dec-Jan. y Nov-Oec. † For 75 lb flask * Ghena cocoa. n Nominel. c Centa per pound.

fixed at FFr 99,500 per kilo (\$379.63 per ounce) in the after-noon compared with FFr 99,500 (\$379.72) in the morning and FFr 100,400 (\$385.31) on Friday In Zurich gold finished at \$378-LONDON FUTURES

LEAD

Aluminium—Morning: Cash £1,007, thme months £1,035, 34, 33 60, 33, 32.50, 32. Kerb: Three months £1,032.50, 32, 31.50, 31, 30, 29, 27, 28, 27, 27.50, 28, Alumoon: Three months £1,030, 28, 28.50, 28, 29.50, 29, 28.50, 28, 27.50, 27.50, 27.50, 27.50, 27.50, 27.50, 27.50, 27.50, 27.50, 28, 25, 34.50, 26, 29, 29.50, 26.50, 28, 25, 34.50, 26, 29, 29.50, 26.50, 28, 25, 34.50, 26, 29, 29.50, 26.50, n a.m. + or p.m. | Official - Unofficial 9pot 1006 .5 —19 1001 9 -25,5 3 months 1032.5-1 —18,5 1027-.5 —25

NICKEL

Nicks] — Morning: Three mo £3.176, 70, 65, 68, 69, 68, 88, 86, 63, Aftermoon: Three months £3.170, 63, 81, 63, 64, 61, 63, 82, 63, 66, Kerb: Three months £3,161, 60, 55, Turnover; 1,404 tonnes. 5090-5 -29 3088-92 -3.5 3186-6 -27 3163-4 -25.5

POTATOES November traded higher initially, reaching £165 before buyers withdraw leaving sellors to; move crices down again by the close. Forward positions came under some selling pressure in light trade but recoveted from the lows towards the close, taports Coley and Harper. Harper. & per tonne

Nov...... 151.30 162.50 185.06.51.2 Fob...... 125.00 189.60 188.06.50 Aorii ... 217.50 822.60 221.80-6.0 Nov..... 79.00 91.00 226.66.21.5 Sales: 554 (930) lots of 40 tonnes.

The ohysical market opened unchenged, stracted little interest throughout the day and closed dull, reported Lewis and Pest. The Kuels Lumpur November lob price for RSS No. 1 was 254-25 (253.0) conts a kg and lor SMR20 212.50 (same). No. 1 Yestday's Previous Business Dono Sales: 74 (14) lots of 15 tennes, nil (seme) lots of 5 tonnes. Physicel clealing prices (buyem) were: 9pot 79.00p (seme). Dec 80.00p (79.50p); Jan 60.50p (30.00p).

SOYABEAN MEAL

The merket opened £1.00 up on follow-through buying end prices remained steady throughout the session, reports T. G. Roddick.

Yestday's + or Business Done per tonne 188.20-88.60 + 0.05 188.50-87.50 1294.60-80.10 + 0.05 116.56-94.50 1294.00-80.50 + 0.05 116.56-94.50 1292.00-88.50 - 0.05 198.50 (9) 182.50-95.50 - 0.25 198.50 (9) 178.60-82.87 - 0.05

HGCA — Locational ex-ferm apol prices. Feed barley: N East 118.70. 10-20p deam; throughout end some-times more. Offshore teas sold weak beginning Monday, November 14, bared on HGCA calculations (using 4 days exchange rates) is expected to remain unchanged.

Wheat easeed 30p but lound strong

COTTON

snce by tenants.

LIVERPOOL—Spot and shipment sales amounted to 211 tonnes. Renewed pressure lor supplies was exerted and useful buying was recorded in a wide variety of styles. These included Middle Eastern qualities, while attention was also centred on North and South American growths.

losing 52 frem opening level, reports Murpace. LONDON GRAINS—Wheat: U.S. dark northam apring No 1 14 per cent Nov 188.50, Oec 139.00, Jen 141,25 transshipment East Coast sellers. English feed lob Osc 125.50, Jen-Mar 128.00 East Coast aellers. Maize: French Nov 148.00, Dec 147.50, trans-shipment East Coast aellers. Barley: English feed fob Jan-Feb 128.00 East Coast cellers. Rest unquoted. **WOOL FUTURES**

WOOL FUTURES

SYDNEY GREASY WOOL—Close (In order: buyer, seller, business). Auetralian cents per kg. 0ec 951.0, 953.0, 953.0, 953.0 9551.0; March 570.0, 571.0, 570.0, 558.0; May 981.0, 564.0, untraded: July 595.0, 697.0, untraded: Oct 690.0, 591.0, 592.0-690.0: Dec 801.0, 804.0, 603.0: 591.0, 592.0-690.0: Dec 801.0, 804.0, 603.0: March 616.0; 822.0, untreded; May 620.0, 630.0, untraded. Sales: 71. LONDON NEW ZEALAND CROSS-BREDS—Close (In order: buyer, seller, business, New Zealand cents per kg. Jan 408, 412, 407; Morch 413, 418, 412; March 413, 418, 412; March 413, 418, 412; May 420, 424, 419; Aug 434, 435, 434-433; Oct 438, 437, 435; Oct 438, 439, 439; Jan 439, 448, 450, 448; May 449, 455, 448. Sales: 41.

JUTE—C and f Dundes Nov BWC 320.50, 8WO 2294, BTB 6351, BTC 320, BTD 6294.50; c end f Antwerp WC 6319.50, 8WD 2293, BTC 6318, ITD 6293.50; c end f Oundes Nov 0 in 10 oz 616.14, 40 in 73, oz 612.38; t wills 648.61.

INDICES FINANCIAL TIMES Nov. 4 | Nov. 3 |M'th ago|Y'arago

985,92 285,56 287.14 250,44 se: July 1 1962-100) REUTERS Nov. 7 Nov. 4 M'th ago Y'ar ago 1887.5 1883.5 1890.7 1527.8 (Base: September 18 1931-100)

Nov. 4 Nov. 2 Mith ago Yearago 1014, 4.1014,4 1051,4 985,9 (Base: Oscamber 31 1974-100)

DOW JONES Dow Nov. Nov. Month Year Jones 4 9 ago ago 55.51 140.51 129.0 Fure 142.95142.06 146.35 186.95

MEAT/FISH

MEAT COMMISSION—Average fat-tock prices at representative markets. 8E—Cattle 38.00p per kg (w (-0.13). 8B—Sheep 125.04p per kg est dow -2.39). GB—Pige 78.31p per kg lw +1.191.

AMERICAN MARKETS **NEW YORK**

COPPER 25,000 the, cents/lb Close 81.0 C1.30 80.75 61.65 81.10 61.35 80.75 61.65 81.40 62.30 62.70 63.00 64.35 64.00 66.95 86.45 65.86 65.70 65.30 66.10 66.70 67.35 69.00 66.70 69.40 70.70 70.70 70.76 71.40 CHICAGO . LIVE CATTLE 40,000 Ib. conts/fb MAIZE 5,000 bu mit, cents/560-bushel Close High 358.0 358.0 358.0 358.0 256.6 356.6 353.0 353.0 352.8 351.4 350.5 346.6 Martir May July SOYAHEANS 5,000 bu min, conts/60th-Nov Jan March May July August Sept Nov Jan SOYABEAN MEAL 100 tons, \$/ton Dec Jen Martin May July July August Sept Oct Dec Jan 203.6, 345.3 247.0 245.5 242.6 231.0 191.0 191.6 191.5 ORANGE JUICE 15,000 lbs, cents/fb High 33.00 32.50 26.75 23.50 23.85 22.80 22.40 21.50 21.60 21.90

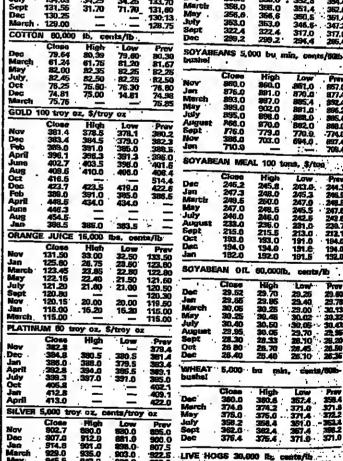
MEY MARK

MIEREST RAT

Moving Every

And the Party of

A LONDON NATES



8.50. Ojen 4:00-5.00. Hamenes—Colombien: 40 1b boxes 10:30-10:50. Avecados—Cenary: 3:50-3:50: Israeli: 9:50-3:70. Pimaspples—Each: Ivory Coast: 0.45-1.60; Cape: 0.50-1.30; Brazilien: 1:00-1:20. Pawes—Brazilien: 9:00-6:50. Mangoes—Kanyan: 6:00-8:50. Ferrats—Italien: 2 kg 4:00-4:50. Figs—Smyrns: 48° x 8 or 8:20-9:50. Termstor—Spenieh: Tray 3:50-3:60. Keiriruh—New Zeigond: 9:00-6:20. Termstors—Spenieh: Tray 3:50-3:60; Canary: 'tray 3:50-3:60; Ca

Leituce—Dutch: trays 24's 3.50-3.80, Cucumbers—Dutch: tray 3.40-3.80; Dpanish: 2.60-2.80; Cenary: 2.80-3.20; Greek: 2.40-2.80. Courgettes—French: par: tb 0.38-0.40. Chestruite—Italian: 22-15; 5.50-10.50; Scenrab: 11-15-3.00—4.50. Dates—peckets x 30 0.55-0.62; pseket x 24 0.40-0.45, Brazils—lengt washed manage per B 0.48. Weinuss

—Cbinese: per -lb 0.29-0.33; Franch Granoble: 0.60-0.65; Fijberts Sicilien: per fb 0.29-0.80. Almonds -lbizs: semi-soft per lb 0.40-0.42; Peopre U.S.: per lb 0.85-0.80. Cranberries U.S.: oack per to 0.2-0.00. American Jr. S.: per lb 0.85-0.90. Crambertes U.S.: per lb 1.0-35-0.40. Indiana per lb 0.72-0.18. Asparagus Cape: per lb 1.20-1.40. Calisent 1.50-1.80. Auguston 1.70-1.80. Asparagus Cape: per lb 1.20-1.40. Calisent 1.50-1.80. English Produce—Apples: per lb Can's 0.15-0.26. Russet; 0.15-0.20. Sparter 0.14-0.18. Lacton's Superb 0.10-0.14, Bramley 0.13-0.20. English Produces Apples: per lb Comics 0.14-0.20. Conference 0.10-0.18. Potences: 3.80-5.20. Bakers: per lb Comics 0.14-0.20. Conference 0.10-0.18. Potences: 3.80-5.20. Bakers: 6.09-0.09. cibsed 1.00-1.20. Lattuce: per tray round 3.40-1.90. Casic per lb Comics 0.14-0.20. Conference 0.10-0.50. Calistuce: per lb Comics 0.14-0.18. Potences: 3.80-5.20. Bakers: 6.09-0.20. Calistuce: per lb Comics 0.14-0.20. Conference 0.10-0.50. Calistuce: per lb 0.16-0.20. Calistuce: per lb 0.18-0.20. Calistuce: per lb 0.18-0.20. Calistuce: per lb 0.18-0.20. Calistuce: 2.80-2.80. Formatics: 2.80-1.00. Seebroots: 2.80-1.00.20. Turnitus: 2.80-1.00.30. Seebroots: 2.80-1.00.20. Turnitus: 2.80-1.00.30. Seebroots: per lb 0.18-0.20. Calistuce:
ROTTEROAM. November 1. Wheet—(U.S. 5 per tonne): U.9. two red winter Nov 20/0ec 10 151.50, Oec 191.50, Jen 182.50, Feb 164.50, Merch 165.50. U.S. northern spring 14 per cent pretein Nov 186, Oec 182.50, Jan 194, Feb 195, Merch 195, April/May 181.50. U.S. three ember durum Nov 204, Nov 20/Dec 20 204, April/May 206. Canadian western sorine Nov 15/Dec 15 212. April/May 217.

ROTTEROAM, November 1.

EUROPEAN MARKETS 353, May 353.75, Oct 274, Nov 274, Occ 278, Jan 282.50 sellers. Argantins Oec 278, Jan 282.50 sellers. Arganuns silost 334 sellem.
Soyamssi—IU.S. \$ per tonno): 44 per cent afloat 270, Nov 273, Oec 278, Jen 285, Jan/March 285, April/Sopt 276 sellers. Pellets Brazil Nov 302, Dec 304, Jan 308, April/Sept 287 sellers. Pellets Argentins afloat 279, Nov 290, Dec 296, Jen 399 sellers.
PARIS. Novamber 7.

\$92-9314 \$92-6514 \$7914-74 \$467-459

Cenedian western sorine Nov 15/Dec 15
212. April/May 217.

Malze—(U.S. 3 per tonne): U.9.
three yellow effoct 163, Nov 162.50, 1755, Maich 1782-1787, May 1810-1820, 196-162, Jan/March 163, April/June 163, July 1845 bid, Sept 1886 bid, Oec 1890-185, mid-Nov/mid-Oec 175 sellers.
Soyabeans—(U.9. \$ per tenne): U.S.
Soyabeans—(U.9. \$

BASE-METAL PRICES lost graund on the London Metal Exchange. Copper drapped to the lowest levels ence Oacember as weakness in precious motale coupled with specularly selling saw forward metal decline to 6326 before closing at £931. Aluminium and Nickel fell in sympathy, closing at £1.025,25 and £3.150 respectively. Zinc dipped to £84 at which point trade auoport encouraged a rally to £586,5 by the close of trading. Lead was also austained by trade interest and closed at £281.5. Tin was finally £8,680, apeculative selling being partly mel by buffer stock support.

COPPER

Amalgamoted Matel Trading reported that in the morning cash Higher Grade Indeed at £907, three months £931, 30.50, 30, 30.50. Cethodes: Three months £911. Karb: Higher Grade: Three months £930, 29.50, 29, 28.50, 28, Aftermoon: Highter Grade: Three months £930, 29.50, 30, 31, 30.50, 91, 31.50, 31. Cathodes: Cash £88.50, three months £931, 30.50, 30, 29, 28.50, 10.50, 29.28.50, 29.29.50, 10.50, 29.28.50, 29.29.50, 10.50, 29.29.50, 29.29.50, 10.50, 29.29.50, 29.29.50, 10.50, 29.29.50, 29.29.50, 10.50, 29.29.50, 29.29.50, 10.50, 29.29.50, 29.29.50, 10.50, 29.29.50, 20.29.50, 29.29.50, 10.50, 29.29.50, 20.29.50, 29.29.50, 10.50, 29.29.50, 20.2 COPPER Official + or Unofficial -+ or High Grde £ £ £ £

Tin—Moming: Standard: Csah £8,565, 80, three months £3,680, 70, 65, 70, 75, 70, 68, 75, High Gmde: Three months £3,670, 65, Altemoon: Standard: Three months £8,670, 65, Altemoon: Standard: Three months £8,670, 60, 50, 55, 65, 75, 80, 72, 75, 80, 80, 87, High grade: Three months £8,710, 20, 25, 30, Kerb: Standard: Three months £8,695, High Grade: Three months £8,725, Tumover: 2,225 tonnes.

Lasd—Momine: Cash £272, three months £280, 80.25, 91, 81.50, 28, 81.50. Kerb: Three months £281, 50. Aftermoon: Cash £271.50, thme months £282, 82.50, 82.25, 81.50. Karb: Three months £282, 82.50, 81. Tumover: 17,675 tonnes.

Zinc—Morning: Three months £587, 95.50, 88, 86.50, 87, Afternoon: Three months £586.50, 97, 87.50, 87, 86.50, 87, 88, 88.50. Kerb: Three months £857.50, 87, 86.50, 88, 86.50. Turnover: 7, 125, 100.000 875. 541-1.75 574. 58 586. 70. 77-1.37 588. 6 574 - 6 - 46, 75

ALUMINIUM

* Centa per pound. ‡ MS per kilo. † Oe the pravious unofficial close.

SILVER Silver was fixed 5.1p an ounce lower for spot delivery in the London bullion market yesterdey at 595.95p. U.S. cant equivalents of the fixing levels were: spot 883.0c, down 9.5c; three-month 902.5c, down 7.9c; eix-month 924.5c, down 7.9c; end 12-month 924.5c, down 10.9c. The meuti opened at 594-596', (882-886c) and closed at 594-597p. (882-886c).

LME Silver (2,000 ounce contract)—Three months: 507p (615p). Turnover 2 (70) lots.

SILVER Bullion + or LME. + or

over 2 (70) lots.

SILVER Buillon + or L.M.E. + or fixing price Unoffic!

COCOA Futures traded within a nerrow renge and physicale reflected the lack of interest and only limited activity was noted, reports Gill and Outlus.

COCOA Epertonne | Done | 1458-53 | 1468-53 | 1468-64 | 478-79 | 11,5 1498-79 | 1488-89 | 1488-96 | 1311-18 | 1465 | 1431-18 | 1455 | 1488-89 | 1488-96 | 1311-18 | 1455 | 1488-89 | 1488-96 | 1311-18 | 1455 | 1488-89 | 1488-96 | 1311-18 | 1455 | 1488-89 | 1488-96 | 1311-18 | 1455 | 1430-29 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1488-96 | 1

Dec. 1483-35 -14
March 1465-64 -6,
May 1469-70 -1
July 1478-79 -1
Sept. 1488-89 -1
Oec. 1466-06 -1
March 1311-18 -1
Seles: 2,176 (3,553) | +5 | +5 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 | +12 |

Following a slightly better opening, the market suffered a £25 estback under strong trado selling, mports Omsel Sumham Lambert. Commission house buying and short-covering operations improved values during afternoon dealings with prices conselldating in midmings on nearbys. COFFEE Yest'day's + or i

GRAINS

Susiness done-Whest: Nov 116.20-0.15, Jan 122.85-2.35, March 125.90-5.30, May 128.95-8.20, July 131.40-1.05, Sept 118.75-5.90, Selcs: 163 lotz of 100 tennes. Sarlay: Nov 119.16 only, Jan 119.40-9.35, March 122.56-2.40, May 124.50-4.35, Sept 112.50 only, Seles: 57 lots of 100 tonnes. WIEAT

Nov... 118.55 +0.15 116.25 Jan... 122.60 - 119.40 Mar... 125.55 +0.05 124.50 +0.05
July... 131.40 -0.86 119.16 -0.89 HGCA — Locational ex-ferm apol prices. Feed barkey: N East 118.70. The UK monetary coefficient for the week beginning Monday, November 14, bared on HGCA calculations (usine 4 days exchange rates) is expected to remain unchanged.

مِلَدًا مندلاً صِل

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Fea value

 $i=i_{2,n}$

FINANCIAL FUTURES

Dollar threatens August peaks

Threats of an escalation to the fighting in Lebanon, and expectations that U.S. interest rates will remain firm for the foreseeable future, gave the dollar another boost on the foreign exchanges yesterday. It touched record ievols against some currencies, and once again looked like moving within striking distance of the 10-year high reached against momentary policy.

The dollar rose to DM 2.6815 against the D-mark in August. Friday's Mil momey supply rise of \$300m was fairly close to expectations, but the growing strength of the growing strength of the growing strength of the growing strength of the swift in terms of the Swiss franc; and to october openployment, led to openlar last bunch in the growing strength of the swiss franc; and to october openployment, led to openlar last the supplies against the freed with in far easing of Federal Reserve all supplies, plus fading hopes of from DM 2.6685 against the free openlar last the openlar, 83.9 at the openlar, 84.7 six months against the dollar, but is monthal against the dollar, but is more against the threat to western edit supplies, plus fading hopes of from swfr 3.27315 to 2.2320. October average 2.5023. Trade weighted index 12.5 again inflationary pressure.

inflationary pressure.

Sterling eased against the dollar, but continued to rise with the dollar against Continuous. Today's UK money supply figures are not expected to encourage another cut in base rates, lending weight to the latest forecast from Barclays Bank, while threats to Middle East oil supplies are also supporting the pound.

DOLLAR — Trade weighted

DOLLAR — Trade weighted index (Bank of England) 128.2 against 122.0 six months ago. The dollar has been steadily appreciating in recent weeks, and is once again at or threatening the record levels touched in

Y237.05 from Y236.45 against tha
Japanese yen.

STERLING—Trading range
STERLING—Trading range
against the deliar in 1983 is 1.6225 to 1.4546. October average
UM 3.97; FFr 12.0775 from

EMS EUROPEAN CURRENCY UNIT RATES Belgian Franc ... 44,9008
Danish Kronn ... 8,14194
German D-Mark
Franch Franc ... 22,5184
Franch Franc ... 5,27958
Utelian Lire 1403,49

Tho dollar was fixed at DM 2.6828 at yesterday's fixing in Frankfurt, up from an opening level of DM 2.6750 and Friday's fixing of DM 2.6632. The Bundesbank was active at the fixing, selling an estimated \$16.6m. The D-mark recovered a little leter in the day, following news of a fresh money marker. +1.67 -0.57 +0.31 -0.58 -0.16 -0.40 -2.29 a little lister in the day, following news of a fresh money market repurchase agreement by the Bundesbank of a higher rate of 5.6 per cent. Political and military unrest in the Middle East served to keep the dollar's undertons firm however. Changes are for EGU, therefore positive change denotes a week currency. Adjustment calculated by Finescial Tirass

Nov. 7	£			£ Note Rates
Argentina Peac. Australia Bollar. Bezzil Cruzelro. Finland Markisa. Finland Markisa. Hong Kong Doltar Iran Rial. Kuwaitbinar(KD) Luxembourg Fr. Malayais Doltar. New Zealand Dir. Saudi Arab. Riya Bingapore Doltar Sth. African Rand J.A.E. Dirham.	1,844.7-1,251.8 8.4830.85210 142.90 143.60 11,581-11.602 0.0335-0.4340 80.08-80.76 5.4838-8.4895 8.2620.9.2570 8.1685.5.1730 5.1690.5.1750	5.7370.5.7420 90.50.95.80 7.8025.7,8075 86,90* 8.9998-4,28298 54,36.54,38 2.8450.2,3480 1.5170 1.5190 0.4808 5.4611- 8.1340-2,1560 1.1715-1.1750	Austria. Belgium Denmark France Germany italy Japan. Notherlands. Norway Partugel. Spain. Switzerland Usited Stabs. Yusoelsvie.	07,90,28,20 91,20,22,00 14,27,14,41 12,05,12,17, 2,901,2,4,004, 2,890,2,20 3,50,55, 4,44,4,8 11,04,11,14 191,206 2241,2,391, 11,66,11,78 0,281,3,301, 1,471,1,491, 193,018

THE POUND SPOT AND FORWARD

Close One month p.s. months

1 1.4335-1.4345
1.4325-1.4345
2.03c pm-0.07dis -0.33 0.06-0.18dis -0.34 0.25-0.3dids -0.33 0.06-0.18dis -0.34 0.06-0.18dis -0.33 0.06-0.18dis -0.33 0.06-0.18dis -0.33 0.06-0.18dis -0.33 0.06-0.18dis -0.34 0.06-0.18dis -0.34 0.06-0.18dis -0.34 0.06-0.18dis -0.33 0.06-0.18dis -0.34 0.06-0.

Belgian rate is for convertible (rance. Financial franc 81.45-81.56. Six-month forward dollar 0.60-0.65c dia, 12-month 1.15-1.25c dia,

CURRENCY MOVEMENTS CURRENCY RATES - 0.707975
61a 1.05022
9.48
3-8
18.8479
0 57.9159
7 10.1485
4 8.81960
5 3.15190
8 4 8.56767
17 1708.01
0 248.244
9 7.84564
8 7.84564
8 8.29806
4 8.29806
4 8.29806
1201a 100.887 0.569107

84,8 128,5 82,4 116.1 90.3 79.5 125.6 150.4 115.4 07.1 49.8 153.0

Middle East unrest have encouraged a switch back into dellars however.

1980-1982-100. Sank of England Ind (base average 1975-100). THE DOLLAR SPOT AND SORWARD

Nov 7	Day's spread	Close	One month	%	Three months	% p.a.
űkt.	1.4830-1.4870	1,4835-1,4845	0.03-0.08c die		0.26-0.31d a	-0.7
Irelandt	1.1595-1.1630	1.1600-1.1610	0.24-0.21c pm		0.71-0.65 pm	
Canada	1.2350-1.2360	1.2355-1.2360	0.06-0.04c pm		0.19-0.18 pm	
Methind.	3.0005-3.0086	3.0036-3.0055	0.93-0.83c pm		2.73-2.63 pm	
Belguim	54.32-54.48	54.36-54.38	42-3c pm		75-43 pm	0.44
Denraark		9.6500-9.8550	0.60-1.70ore dis			-0.77
W. Ger.	2.6740-2.6840	2.6810-2.6820	0.88-0.84pt pm			
Portugel	126.76-127.40	127.10-127.40	110-270c dis		2.89-2.64 pm 360-750dis -	
Spela	154.80-155.20	154.96-155.05	165-185c dia		485-535die	
Itely	1,621-1,626	1,6213-1,6225	9-95lirs dia			
Norway	7.4550-7.4686	7.4800-7.4850	2.10-2.40ore dis		281-29% dis B.10-6.40dia	
France .	8.1226-8.1526	8.1375-8.1425				
Sweden	7.8840-7.9000	7.8875-7.8925	1.65-1,80c dis		8.10-6.50dle	
PADEL	236.40-237.40		1.20-1.40ore dis		3.15-3.36dls	
	18.83-18.88%	237.00-237.10	9.70-0.86y pm	3.42	2.73-2.08 pm	
AUSTINO		18.83-18.84	6.00-6.40gro pm		18-18 pm	3.61
Switz.	2.1705-2.1806	2.1785-2.1795	1.15-1.10c pm		3,15-3.10 pm	
† UK	ond iteland a punta apply to	the quoted in U	I.S. currency. F	orward e Individ	premiums an	ď

EXCHANGE CROSS RATES

Nov. 7	Pound St'rling	U.S. Dollar	Deutschem'k	JapaneseYen	FranchFranc	Swiss Franc	Dutch Onik	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling U.S. Dollar	0.674	1.484	2,682	362.0 357.2	12,076 8,138	3,230 2,180	4.460 3.005	2407. 1622.	1,533 1,836	80,70 54.58
Deutschemark Japanese Yen 1,000	0.251 2.641	0.373 4.216	1131	88.44 1000	34.81	9.390 9.390	1.121	6857.	0,461 6,807	20.28 239.5
French Franc 10	0.828	1,290	3,205 .	291,5	10,	2.679	3,693	1093,	1,518	56.82
Swiss Franc	0.309	0,469	1,230	108,8	8,783		1,379	743,9	0,567	24.95
Dotch Guilder	0,824	0,385 ·	0,892	78,92	2,708	0,725	1.853	580,6	0.411	18,09
Italian Lire 1,090	0,419	0,617	1,654	146,5	5,019	1,844		2000,	0.768	88,53
Canadian Dollar	0.548	0.810	2,171	198.0	6.589	1.765	2,438	1315,	9,271	44.03
Belgian Franc 100	1,238	1.839	4,938	436.8	14,97	4,009	5,527	2902,		190.

MONEY MARKETS

A surplus in London

to a surplus of £150m. Bills maturing in official hands, repayment of late assist-

nands, repayment of late assistance, and o take-up of Treasury bills from Friday's tender absorbed £402m, but this was outweighed by Exchequer transactions adding £310m to liquidity, and s fall in the note circulation of £275m.

The authorities did not intervens in the market during the

London short-term interest rates maintained a slightly easier tone yesterday, despite the forecast from Barclays Bank in its financial survey that "rates have as pear as makes possifications, barring a further fall in international rates,"

The softer trend was encouraged by the Bank of England forecast of a £200m money market surples in the morning, although this was later revised to a surplus of £150m.

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The soften trend was encouraged by the Bank of England forecast of a £200m money market surples in the morning although this was later revised to a surplus of £150m.

The soften trend was encouraged to 5.6 per cent. Shortly before the announcement at a fixed private bank. The authorities have offered another securities finance in the was off

Nov. 7 1983	Sterling Certificate of deposit	Interbenk		Local Auth. eogotiable bonds	Pinance House Deposits	Company Deposits		Treasury Brils &	Eligibio Bank Bilis e	Fina Trade Bills @
vernight days notice days or days notice no morth nree months x months na months na yasr		8/4 9/4 8/4 9/4 8/4 9/4 8/4 9/4 8/8 9/4 8/8 9/4	814 915 915 915 916 814 945 945 945 1014-1014	914-914 956-914 956-914 956-914 984-915 914-915		814-9 814-956 946 916 916	754-838 			

vens in the market during the morning, but in the afternoon drained part of the surplus by selling 293m Treasury bills maturing today, at 878-87 per cent.

In New York Federal funds traded around 92 per cent for most of the morning, but moved up to 97% per cent shortly before lunch as the Federal send services and finence houses seven days ectice, others seven days fixed. Long-term local authorities and finence houses seven days ectice, others seven days fixed. Long-term local authorities in the season and finence houses seven days ectice, others seven days fixed. Long-term local authorities in the season and finence houses seven days ectice, others seven days fixed. Long-term local authorities in the season and finence houses seven days ectice, others seven days fixed. Long-term local authorities in the season and finence houses seven days ectice, others seven days fixed. Long-term local authorities in the season and finence houses seven days ectice, others seven days fixed. Long-term local authorities in the season and finence houses seven days ectice, others seven days fixed. Long-term local authorities in the season and finence houses seven days ectice, others seven days fixed. Long-term local authorities in the season and finence houses seven days ectice, others seven days fixed. Long-term local authorities in the season and finence houses seven days ectice, others seven days fixed. Long-term local authorities in the season and finence houses seven days ectice, others seven days fixed. Long-term local authorities in the season and finence houses seven days ectice, others seven days fixed. Long-term local authority morng season the season and finence houses seven days ectice.

Season care.

Season care.

Approximate salling rate for one-month Treasury bills S per cent; two months Season to cent; ECOD Fixed Rate Export Scheme IV. Average rate (or laterest period October 0 to November 1 1983 (inclusive) before lunch as the Federal cant.

Reserve failed to intervene in the local money market.

Nervousness continued oboot The rete lor all deposits withdrawn for cash 6 per cent.

Treenury Sills: Average teader rates of discoust 8.8322 per cent. Gertificates of Tas Oeposit (Series 6).

Treenury Sills: Average teader rates of discoust 8.8322 per cent. Gertificates of Tas Oeposit (Series 6).

Treenury Sills: Average teader rates of discoust 8.8322 per cent. Gertificates of Tas Oeposit (Series 6).

Treenury Sills: Average teader rates of discoust 8.8322 per cent. Gertificates of Tas Oeposit (Series 6).

The rete ior all deposits withdrawn for cash 6 per cent.

INTEREST RATES = **EURO-CURRENCY INTEREST RATES**

(Market closing rates) 934-1014 936-1018 1014-1036 1014-1036 1114-114 10-1018 10-1018 83₄-91₄ 87₈-81₅ 81₄-67 103₆-113₆ 95₈-93₄ 91g-10 93g-95g 6-1-61g 1114-1114

FT LONDON INTERBANK FIXING

(11.00 a.m. NOVEMBER 7 0 month U.S. dollars 5 month U.S. dollars bid 10 1/16 offer 10 3/16 offer 10 1/19 61 (31 G bld

The fising rates are the sritimestic moses, rounded to the nearest os-sixteenth of the bid and offered rates for \$10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tekyo, Dautsche Bask, Banque Nationale de Paris and Morgan Guernaty. These

Fed lunds (lunch-time)... 93. Trassury bills (13-week) 8.78 Trassury bills (25-week) 6.90 GERMANY

FRANCE Diacount rata 5 Call (unconditional) 6.15625 Bill discount (3-mosth) 6.34375 **SWITZERLAND**

Olacount 1818

NETHERLANDS S CERTIFICATES OF DEPOSIT Oss menth 9.45-8.55 Ona year 10.10-10.30 LONG TERM FURO S Two years 174-113 Fivo years 121-121, SDR LINKED DEPOSITS One month 83-9 eix months 9-9%

One month 872-872 Sie monthe 94-94

this is possible within current limits. recently, renewed fears of higher U.S. interest rates and

LONDON

Dec March June Sept Dec Volume Previous Basis qu

STERLING £26,000 5 per £

SWISS FRANCS SwFr 125,000 S per SwFr JAPANESE YEN Y125m \$ per Y100

Eurodollars ease

Euro-dollar prices eased in the London Financial Fotures Exchange yesterday. The softer trend was principally a reflection of market concern over the Federal authorities re-funding programme. This is risking serious disrupcion in risking serious disruption in view of legislative delays in raising the U.S. debt ceiling with a potential bunching later in the year increasing the possibility of a technical rise in interest rates. The authorities are continuing with three suctions this week however as this in possible within current

limits.
Friday's rise in U.S. M1
money supply was digested
without any real reaction, refiecting both some degrees of
anticipation and a switch in
emphasis to the Government's
refunding programme. The

THREE-MONTH EURODOLLAR \$1rs points of 100%

n the December Euro-dollar price stures opened at 89,98 down from The Friday's close of 90,07 and thy a touched s low of 89,93 before

Short storling prices derived

CHICAGO U.S. TREASURY BONDS (CBT) 5% \$100,000 32nds of 100% U.S. TREASURY BILLS (IMM) Sim points of 100% Latest High 80.91 90.93 90.45 90.48 90.17 90.12 89.95 88.76 88.76

Dec Close High Low Prev 0.3750 0.3750 0.3750 0.3753 0.3758 Marob 0.3785 0.3785 0.3782 0.3782 June 0.3821 — 0.3822 Volume 66 (89) Previous day'e open int. 457 (476)

recovering to finish at 90.04.

Gilt prices also dipped on the prospect of bigher U.S. intsrest rates but the market gained some comfort from sterling's bettor overall performance. The December contract, which was the only date dealt in, opened at 107-23 and foli to a low of 107-12 before finishing at 107-27 compared with 108-00 on Friday.

little inspiration from e virtually static cash market. However, the undertooe remained firm with some sources suggesting a gentle drift towards a further half point cut to UK clearing bank base rates towards the end of this

High 90.25 89.72 89.36 89.06 90.36 88.87 88.50 88.20 74.90

THREE-MONTH EURODOLLAR (IMM) Sim points of 100% Lettest High 89.76 89.77 86.33 89.33 88.01 89.02 86.74 88.50 — 88.24 STERLING (IMM) \$s per E High 1,4875 1,4906 DNMA (CBT) 0% \$100,000 32nds of 100% 63-24 63-24 63-20

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CLUBS EVE has outlived the others because of n celley of fair play and value for money Supper from 10-3-30 am. Disco and too maliclams, clamorous networks 10-3-30 am. Disco med too maliclams, clamorous networks 10-3-30 am. Disco med too southers, 10-3-30 am. Disco not seen to the seen and the see

PERSONAL

COMPANY NOTICE HORNE BROTHERS P.L.C.

ENTERTAINMENT

BARBICAN 01-628 8795 cc 01-638 0891 (Mon-524, 18 am-9 pm) ROYAL SHAKESPEAGE COMPANY THE TEMPEST Nov 14, 15; MAYDAYS by David Edgar Nov. 21, 23; MUCH ADO ABOUT NOTHING Nov.8, 11, 12 (m&e);

WORLD VALUE OF THE POUND

Abbreviations: (A) epproximate rate, no direct quotation available; (F) free rate; (P) based on U.S. delier parities and going string-deliar rates; (B) basic rate; (B) buying rate; (Bk bankers' rates; (cm) rate; (cm) neminal; (c) official rate (sg) selling rate. The table below gives the latest except where they are shown to available rate of exchange for the pound against various currencies on November 7 1983. Is some cases rate is nominal. Market rates are the average of buying and selling rates

PLACE AND LOCAL UNIT	& STERLIND	PLACE AND LOCAL UNIT	& STERLIND	PLACE AND LOCAL UNIT	& STERLIND
Afghanistan Afghan	99,00	Greenland Danish Kroner Grenada E. Caribbean &	14.58 4.01	PeruSol PhilippinesPhilippine Peso	exelA13,153,09
Albania Lok Algerie Dinar	(A) 7_2520	Grenada E. Caribbean & Guadaloupe Local Franc	4.01 19.0775	Pitesiro Islands (£ Sterling New Zealand \$	2.2545
Andorra French Franc	999.90	Guam	1.4840 1.4840		148.50
Angola Kwanza Antigua E. Cari bbean \$	(CM) 45,4115	Guinea	34,70	PolandZloty	
	4,01	Guinea-Bistau Peso	01.90 4.4035	PortugalPortugu'se Escudo Puarto RicoU.S. \$	188.70 1,4840
Argentina New Peso	24,346			Qatar	0,4010
Australis	1,6805	Haiti Gourda Hondures Lerspira Hong Kong H.K. \$	7.42 9.985	Raunion IslandFrench Franc	18,0775
Azores Portugu'se Escale	27,675 188.76	Hoog Kong H.K. \$	11,595	RomaniaLeu	(IGmi6.64
			66.54tt	Rwanda	1 (N/C120.66 145,21
Sahamas	1.4840 0.5595	Nungary Forint	41.70	RWanda	145,21
Bahrain	929.90	iceland I. Krona indis Ind. Rupeo indeeesia Rupiah Iran Rial	15.97	St. ChristophorE. Caribbean 8	4.01
Bangiadesh Taka Barbados Barbados \$	55,97 0,9680	Indesesia Rupiah	1,455.7 128,10(sg)	St. Noiena St. Hoiona £	1.0
Seiglum B. Franc	(jcm) 80,70	iraq	0,4628	St. Lucie	19.0775
Detter 0.0	(fn) 81.50 6.9660	Irish Republic Irish £	1,9785 128.5	St. VincentE. Carlbbean \$	4.01 5,999
Bonin C.F.A. France	505.875	itely	2,406,6 603,875	St. Pierra	1.4840
Bermuda Bda \$ Bhutan Indian Rupee	1.4840 15,87	italy Lira ivory Coast C.F.A. France		San Marino	2,406.5
Bolivia Bolivian Peso	(0) 880.8	Jamaica Jamaica Dollar	1 (10:0.6460	Saudi ArabiaSaudi Ryaf	08.85 0.17075
Botomeno Bulo	1.6850	Jenen	1 iF)4.082	Saudi ArabiaSaudi Ryal Benegal	503.875 · 10.05(ag)
Brazil Cruzeiro 11 Srit. Virgin isles. U.S. 5 Brusel Srusel Strusel S	1.247.05	Jordan Jordanian Dinar	0.6505	SeycholiesS. Rupea Sierre LeonaLeone	1 1715 578
Srit. Virgin Isles, U.S. 5	1,4840 3,1780	Kampuchea Riol	1.780.8 80.185	Bingapore	5.1780 1.7720
Bulgaria Lev	1.4825	Kiribati Australian \$	1,6505	Somali RepublicSomali Shilling	65,20 1,7595
Burma	11.99 154.0	Korea (Nth) Won	1.6450III 1.184.45	South AiricaRand	1,7595 989.90
		Kanya Shilliag Kiribati Kanya Shilliag Kiribati Won Korea (18th) Won Kuwait Kuwaiti Dinar	0.48575	SpainPeseta	308.90
Cameroon C.F.A. Franc Canada Canadian 5 Canary Islanda SpenishPoseta Capo Vorde Is. Capo V. Escudo Cayman Islanda Cay. Is. 8 Cant. Afr. Republic C.F.A. Franc Child Ghilear Peso Child Spenish Cay Col. Peso Colombia. Col. Peso Colmor Islands. C.F.A. Franc Col. C.F.A. Franc	1.8530		19.999	Spanish ports in North Airica Peseta Bri LenkaS. L. Rupes Sudan RepublicSudan & Ju)	229,90
Canary Islands SpenishPoseta	987.90	Lace	7.75440 1.7595	Bri Lanka	1 30.50
Cape vorce 15 Cape v. Escuco Cayman islando Cay, is. 5	107.90 1.2366 805,875	Lesotho Maluti Liberia Liberian \$	1.7595 1,4840	Sudan Republic Budan £ (u)	1,80s0 2,5563
Cant. Afr. Republic C.F.A. Franc	805,875 605,975	Libya Libyan Disar Liechtenstein Swiss Franc	0,4595 3,2550	Surinam	1 7595
Chila Ghilean Peso	190.05	Luxambourg Lux Franc	5.2550 80.70	Swedan	11,7075 5,0550
Ghina Renminbi Yuan	190.05 2.9476 (F) 195,67	Magao Pataca	12.05	SyriaSyrian &	(A) (T) 10.0
Comoro islands C.F.A. Franc Congo (Brazaville). C.F.A. Franc	603,975	Madeira	188.75 700.000	Taiwan New Taiwan \$	1 (GM:5.20 09.59
Congo (Brazavijie). C.F.A. Franc	603,875	Malawi	1.80	Tenzenia Ten Shilling	16.070 (eq)
Costa Rica Colon	(O) 61.60 (F) 58.85	Malawi	5,4865	ThailandBaht Togo RepublicC.F.A. Franc Tonga islandsHe anga	54.09 603.978
Cube Cuban Peso Cyprus	1.2928	Mail Republic Mail Franc	11,204 1,207,75	Tonga islandsHe'anga	i 1.5505
oyprus	((eam) 8 80		0.655	TrinidadTrinidad & Tob, \$ TunisiaTunisian Dinar	5,561e 1,095(eg)
Ozechoslovakia Koruna	d n.e 17.06	MartiniqueLocal Franc Mauritania	12.0775 80.11	TurkeyTurkish Lira Turks & GalcosU.S. 8	575.07
Danmark Danish Kroner	14.32	Mauritius M. Rupes	18.225	Turks & GalcosU.S. 8 Tuyalu Sustralian 8	1.4640 1.6305
Olibouti	265 (sg)	Mexico Mexican Peso	(F)890,95 909,90	I II ASTIGNATION OF THE PARTY O	; 1,0303
Olibouti Franc Oominica E. Caribbean \$. 4.01	MiquelonLcoxi Franc	19,0775	Heards House Chilling	1 1286,030
Domisican Repub' Dominican Peso	(7) 2,3417	Monaco	19.0775 4.77 (II)	Ugenda	1470,15 (3)
Foundor Sucre	100 10.59	Montserrat E. Caribbean \$	4.01	United StatesU.S. Dollar Uruguay	1,4840 55,99
	1 (P) 188.53	Morocco Dirham	11,30(sg) (A) 60,758	Utd. Arab EmiratesU.A.E. Oirham	5.45 52 e
Egyptian & Egyptian & Egyptian &	(U) 1,24 458,8	Namibia S.A. Rand	1.7595	U.S.S.RRouble Upper VoltaC.F.A. Franc	1,1497 503,975
Ethlopian Birr	(P) 3.05	Nauru Austrelian Dollar Nepal Nepalese Rupes	1,0305	VanustuVatu	149 80
FRIKING Islands Salidand to P	; 1.0	Nepal Nepalese Rupes	21.25	Yatiganitalien Lira	9,409.5 14: 7.05
aroe guanga Danish Kronor	14,39 1,5365	Netherlands	4,46 0,6555	VonezuelaBolivar	i (5) 14.74
Fisiand Harkka	8,5070	New Zealand N.Z. Dollar	8.9540		(IÉ) 18.543 .
France French France	19,0775	Nicaragua Cordotia Nigor Ropublic C.F.A. Franc	14.955 603.875	ViotnamDong	(1018,2375 (T)10,91 (JI)
French Guisns C.F.A. Franc	603.875 19,0775	Nigeria Naira Norway Norwegian Krono	1,136725(80)	Virgin island U.S. U.S. Dollar	1.4840
Fig. 10 Markka France French France French C'tyin Al C.F.A. France French Gulana Local France French Paolfic is _ C.F.P.France	215 (eg)		11.04e	Western SamosSamosn Tala	(A)2,3810
	603.87e	Oman Sul'ate of Rial Omani	, 0.e12	Yemen (Nth)Ryal	e,90
Gambia	4.00 3.98	Pokistan Bakistan Buran	19.45	Yemen (Sth)S. Yemen Olnar	IA/0.6187
Sermany (West) Deutsche Mark	3.98	Pakistan Pakistan Rupeo Panama Balboa	1.4840	YugoslaviaNow Y Dinar	176,4878
Mana Codi	44,530	Panama	1.2690	Zaire RepublioZaire	45.455
Sibraitar	1.0 149.30	Paraguay Guarani	(IO)187.17 (IF)257.68	Zambia	1,90 1,5860
			,	THE PARTY OF THE P	1.0000

" Rete is the transfer merket (controlled). 15 Now one official rate. [U] Unitled rate. Applicable os all transactions except countries having a bilatera sement with Egypt and who are not members of IMF. (1) Besed on gross rates against Russian rouble. (1) Essential goods. (2) Preletantial rate for priority arts such as foodstates. (3) Non-essential imports and private sector spolicants. (4) Prelevantial rate for public sector debt and essential imports. (5) Government controlled for non-essential imports. (6) Free rate for luxury imports, ramittances of money abreed and lergign travel. (7) Parallel rate.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the comple

ollowing are closing	prices	for Noven	iber 7.	prese .	not or mincoone
LS. DOLLAR			Change on		Westel Banck 11 Vs 88
STRAIGHTS	(xx	a Sid Offer		Yest	World Bank 11 Ve 88
Max 0/S Fix 10%, 98	100	93% 93%		11,68	World Bank 11% 00
Mattrafia Cressu 1114 An	188	180 1001/2		11.19	World Bank 17 63
Australia Comes 11% 95	300	9874 971/2		11.98	Av. p
latsimika Comun 118/e 9R	100	98% 97%		12.84	P
lack of Tokyo 11 90	108	947/4 951/4		12.13	DENTSCHE WARK
Britisk Col Hed 10 Va AR	200	96V4 9634	-674 -174	11.27	STRAKETS
Scient Fin 11% 90	125	9914 9994		11.58	Air Canada 746 83
eneda 10% 88	500	97% 98%		11.42	ANAS. DV. 88
CCE 11% 87	100	92% 93%		12.86	Arab Banking Corp 0 8
CCE 1254 90	75	9874 9874		12.85	Austria, Ros 74e 89 .
an Imp Bk Com 11 90	75	924 934		12.51	Austria Day 0 07
Micorp 0/S 109/s 90	100	9174 9274		12.19	Austria, Rep 8 83 Augn has Fin 1 1/2 93
Discorp O/S 1144 90	100	9674 9744		12.38	Bestrice Foods 734 83
oca Cala let 0% 92	100	91% 91%		11.42	B.F.C.E. 8% 90
red Soisse BAH 101/2 90	150	97% 55%		18.56	Oresdaer Finance 4 86
Isa Norsk Cred 11% 93	50	52 % 83 Ve		12.54	Dreadner Finance 4 00
E.C.S.C. 11% 90	75	98 ¹ / ₂ 98 ¹ / ₂		12.19	E.C.S.C. 6 90
O.F. 111/2 93	186	92% 92%	-8% -8% 1	12.46	EEC. 644 93
LEG. 11 87	350	96 98 ¹ /2	-0% -0% 1	l 1.56	EJ.B. 8 83
.1.8. 10% 93	200	91 <i>V</i> 2 92		2.23	Exercises 7½ 90 Finland Rep 1½ 88
LLB. 11 91	125	94% 95%		2.86	Finland Rep 11/2 88
J.B. 1176 93	190	97% 97%		12.29	Finland Rep 71/2 98
Jactrolux 101/2 00	50	81% 91%		2.48	Int Standard Ele 734 9
ments Fin 11% 83	100	95% 96%		2.33	treland \$4e 61 Japan Day Bank 1 1/2 ()
wife lest Fire 107/s 00	100	92% 83% 91 91%		2.47	Japan Dev Bank 1 1/2 (
en Elec Credit 9% 81 MAC 0/6 Fig 10½ 98	190	91 911/2 9614 9634		1.50	Kebs (2ty 7 83
MAC 0/6 Fin 11% 80	200 100	981/2 99		11.29 11.54	L.1.C.B. 0 00 Remark Acceptance 8 !
leneywell let 1034 90	100	97% 87%		1.32	S.O.B. France 71/a 93
ndust Sk Japan 10% 88	100	96% 97%		1.77	Sta Atrican Tran 644 9
open Als Lines 10% 90	42	92% 92%		1.05	World Back 11/2 88
apen Air Lines 11 93	75	94% 991/2		1.55	World Bank 77/e 89
C. Pensy 11% 00	190	186Va 188Va		1.79	AL, pri
. P. Mergan 11% 90 WW	150	9740 9756		1,94	
evi Strauss Int 11 90	15	954: 954:	-8% -8% 1	1.79	SWISS FRANC
T C R 1024-90	100	93 931/2		2.27	STRAIGHTS
.T.C.B. 1245 90	85	10114 19214		2.84	Bank of Tokyo 6 81 Bergen, City of 534 90
T.C.B. 1242 90	200	13% 94%		2.50	Bergen, City of 534 90
fitsubishi Corp 10Vz 88	100	93% 93%		1.93	Denmark 63/s 61
Atsubishi Fin 113/s 90	100	9574 9574		2.26	E.O.C. 576 91
PRINT CREAT 13 SES	100 100	85% 68%		2.36 2.99	E.D.C. 0 83
K.B. 10 81	250	031/2 94		1.54	Europarat SVs 83 Ex-les Bk Japen 5Vs 91
sterio Hydro 1174 00	200	991/2 100		1.79	and Fund Fishered SVs 8
acific Ges & Elec 12 81	75	1611/2 182		1.44	Int-Am Dev Sk 8 93
rudential D/S 10% 93	100	95V4 9534		1.40	Japan Dev Benk 5% 9
uebec Hydra I 142 SZ	100	9676 557b		2.13	Kansai Ba Power 6 61
askatchewan Pr 1034 SG	125	95% 96Vs		1.97	Kawasaki Steel 61/2 81
mers 0/6 Fin 11% 93	150	5744 9844	-8% -8% 1	1.97	Maritoba Prov 51/2 83
N.C.F. 111/2 83	190	9574 967s	-8% -8% 12	2.09	Ment Blanc Tuni 6% 9
th Cal Edison 101/2 80	75	95% 96%		1.34	Montreal Urban 5% 93
anedomo Fin 10% 90	100	\$31/2 93%		2.37	Mount las Finance 6 St
prace Capital 974 90	150	92 92Vz		1.52	MTG Bk Demark 8 % 9
.B.S. 10 00	108	68% 98%	+81/2 -81/2 18	0.46	New Brunswick 5% 83

te	list of Eurobond prices	which	is pul	lishe	d monthly.	The
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19	World Bank 17 63	200			-8% -8%	
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84			-yu,			
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27	STRAGETS	bane	L Bid	Offer	day work	Yield
58	Air Canada 7% 83	106	1801/2		+01/1 -01/4	7.28
42	ANAS. 04 88	100	991/2	189	0 8	8.30
86	Acab Banking Corp 0 88	190		9714	-81/2 -81/2	8.77
85	Austria, Ros 7 vs 89	106	108	180%	-8Va +87/a	7.55
51	Austria, Rep 8 83	100	180%		-01/2	7.84
19	Asson Int Fig 1 1/2 93	100	1801/2	101	-81/a -81/a	7.38
38	Bestrice Foods 73/4 93	130	1031/6	18476	-07/0 -07/4	7.18
42	B.F.C E. 8¼ 96	150	181	1811/2	0 0	7.99
Se	Oresider Finance 4 88 WW	250	1677/2	1887/2	-9% -1	2.67
54	Oceadour Pinance 4 00 XVV	250	8314	844	+840 +6740	7.84
18 16	E.C.S.C. 6 90	190	180%		-81/2 -01/2	7.32
46	EEC 614 93	250	161	1811/2	-014 -81/2	8.05
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2	Estafisas 7Vz 90	108	1011/2		-8% -8%	7.10
	Finland Rep 11/2 88	150		1091/1	+81/2 +87/4	7.52
	Finland Rep 71/2 90	150	9844 102 %	9944	+8% +1	8.16 7.27
12	Int Standard Ele 744 98	100 150	100%		+0% +1 -8% -8%	1.48 8.48
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1.8. 8 83	200	991/2	190	+01/8	-8%	8.03	
rafina 7½ 90	100	1011/2	102		-8%	7, 10	
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Hend Rep 742 98	150	9874	99 1/4	-	-	8.16	
Standard Ele 744 98	108	182 %	103%	+8%	+1	7.27	
land 84 61	150	1001/2	101	-849	-84	5.48	
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0.8. France 71/a 93	190		9744			8.25	
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arkt Bank 7% 89	300		180%.		6	7.76	
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RAIGHTS nk of 1okyo 6 81 rgen, City of 5¾ 90 nmork 6¾ 61	1 88 40 108	102 1/2 89 1/2 101	192% 99% 181%	60 V	+8 ¹ / ₂ +8 ¹ / ₂ -8 ¹ / ₂	5.57 8.79 8.16	
RAIGHTS nk of Tokyo 6 81 rgsa, City of 5 ¹ 4 90 neork 6 ³ 4 81	198 40 108 100	102 1/2 101 100 1/4	19234 9934 1814 1884z	40 0 -8% +0%	+87/s +87/s +87/s -87/s -87/s	5.57 8.79 8.16 5.31	
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RAIGHTS nk of Tokyo 6 81	198 40 108 100 198 100	102 1/2 101 100 1/4 101 583/6	192% 193% 181% 188% 161% 93%	-8% +0% +8%	+8% +8% +8% -8% -8% +8% +8%	5.57 8.79 8.16 5.31 5.85 8.33	
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or ne	Useshin Steel 674 01	188 108 108 108 108	102½ 101½ 108 188 190¾ 98½	91%	-8½ +0½ 0 -8½ +5¾	0 +0% -1% +0% -0% -4% +5%	5.85 5.90 5.97	
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	YEN STRAIGHTS		1 5 d		day		Yield	
<u> </u>	Australia 84's 82	15		1851/4	+81/4		7.77	
.13	E.I.8. 61/4 92 Japon Airlines 71/e 87	15		1831/2			7.73	
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32	Algorithm Back 8% 88 Fl	150		100%		-81/4	8.57	
05	Bank Mees & Hope 9 88 Fl	15	198%	101%		-8%	8.76	
.03	Elect Sep Brd 8% 95 Fl	75	27%	57%	-8%		1.35	
10	P.H.P. 834 88 Fl	00		100%		-8%s	8.77	
5 2	Swed Esp Cred 774 90 Fl	106		80%		0%	8.86	
16 27	World Bank 6 88 Fl	100 400	102 1 95%	1821/2	+8%	-814	8.40 13.23	•
48	O.K.B. 14 00 FF Solvey & Cie 14% 86 FF	200	101%		-0	-4%	13.52	
24	B.F.C.E. 1142 88 £	50		091/4		+81/4	11.44	
36	British Charge 11% 01 £	50		108%		-848	11.54	
53	CEPME 11 W 96 2	35		100%	8	+844	11 <i>.</i> 27	
32	CIBA-Geigy let 644 93 £	25		S5%	5	+81/2	6.56	
25	EEC. 11% 81 £	50	105%	181%	-8%		11.59	-
39 91	EEC 11% 93 E	50 20	189%		-676		11.74	
76	Fin Fer lad 101/2 00 £	50		95% 100%	0	-814 +01/s	11.53 11.76	
	Fig Mat Oraci 12% 82 £	30	193%			+8%	11.51	
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4	Mort Bk Fig 11-% 89 £	15	97%			+01/2	12.33	
27	Morsk Hydro 1290 £	30		182%	+0%		11.38	
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E	30	182%			+03/6		342
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77	Sec Generale 5 % 90 XW	0%		3854			
72	Société Sénérale 51/4 95	01/4		189		18.31	
87	Sanden 514 88		9976	100%	25/2	10,13	18.
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	BONDS			떒	95e-		Ppe
-	Bridgestage Tire 5 1/2 95	3/82	471	118%	11976	46	-23
11 32	Canon 7 97			214		-1 -	16.2
29	Bahwa Sec Co 51/2 90		505	954	. 97Ve	-11/2	3.5
30	Hitachi Cable 5¼ 86		010	186%	1081/2	-95h	. 8.5
60	Honda Motor 5V4 80				175%		. 8.4
48	Henda Meter 5½ 97				136		8.1
07	Konishiraku Photo 4 98	16/93			89%		4.4
31	Kreen Hatto 61/4 97		792	1681/2	119	-1	9.5
15	Minehee Cu Ltd. 51/2 98				113%	-14	4.5
20	Micsobishi Blactric 514 08				1181/2		3.5
57	Nicean Electric 5 1/2 187		755.9	165%	1987	+514	
76	Nisom 00 Co 51/2 98	4/83			11844		3.8
35	Missan Motor 544 98	4/83			1815		19.5
77	Olympus Optical 674 97 1	12/82			102 .		24,5
16	Orient Finance 5W 91		927.2		981/2		14.5
66 49 23 22 24 27 26 26 27	Orient Leading 5 1/2 00			93Vz		-874	7.5
23	Secon 5 88 1	11/83			12414		
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NACIONAL FINANCIERA, S.A. US\$150,000,000 Floating Rate Notes due 1990

For the six months 7th November 1983 to 8th May 1984 the Notes will carry an interest rate of 10%% per annum and Coupon Amount of US\$517.86. The relevant Interest Payment Date will be 8th May 1984 By: Bankers Trust Company, London Reference Agent



ENERGY RESOURCES & SERVICES INCORPORATED

Net Asset Value 31st October 1983 \$7.87 per share (unaudited)

STOCKHOLDERS FAR EAST INVESTMENTS INC.

Net Asset Value 31st October 1983 \$2.45

per share (unaudited)



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NOTES B.F.C.E. 51/2 90

To Holders of 71/1/4 Convertible Subordinated Debentures due 1988/1993, par value \$1000, issued by Ennia N.V.

With reference to the undersigned Trustee's advertisements on 14 and 21 October 1983, announcement is hereby made that the Meeting held on 7 November 1983 lacked a quorum.

A Second Meeting, the legal validity of whose Resolutions will not depend on the number of Debentures represented, will therefore be held in one of the function rooms of Grand Hotel Krasnapolsky, 9 Dam, Amsterdam, at 10.00 a.m. on Wednesday, 16 November 1983.

Debenture Holders who wish to attend this Second Meeting should lodge their Debentures at the offices of European Banking Company Ltd. 150 Leadenhall Street, London, or Amsterdam-Rotterdam Bank N.V., 595 Herengracht, Amsterdam no later than 14 November 1983 in exchange for certificates of lodgement. production of which will provide admission to the Meeting.

326-328 N.Z. Voorburgwai Amsterdam, 8 November 1983 The Trustee: N.V. Nederlandsch Administratieen Trustkantoor



Azienda Autonoma delle

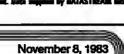
Ferrovie dello Stato SDR 80,000,000

by virtue of existing Legislation Direct and Unconditional General Obligations of

In accordance with the terms and conditions of the Debentures, notice is hereby given that for the interest Period commencing on November 10, 1983 the Debentures will bear interest at the rate of 99% per annum. The Interest payable on the relevant interest Payment Date, May 10, 1984 against Coupon No. 5 will be

payable in respect of Coupon No. 5 will be fixed together with the Interest Rate for the period commencing May 10, 1984, on May 8, 1984.

ORION ROYAL BANK LIMITED Amember of The Royal Bank of Canada Groun



Floating Rate Notes due 1985

The Republic of Italy

SDR 4,834.375.

The US\$/SDR rate which will determine the US\$ amount

Fiscal Agent

INT. CAP. MARKETS

First Interstate taps strong demand for floating-rate notes

BY MARY ANN SIEGHART IN LONDON

FLOATING-RATE notes again stole the limelight in the Eurodollar bond market yesterday, with two new issues being launched by Credit Suisse First Boston.

First Interstate Bank became the first major U.S. name for more than a year to tap the FRN market when it launched a \$150m, 12-year bond paying % point over the mean of the three-month London interbank bid and offered rates at a price of par. Compared with other recent new issues, the pricing was very tight, but the strength of market demand was such that it traded at a discount of only 0.35 per cent well within its 0.65 point selling concession.

As reported yesterday, Genos-senschaftliche Zentralbank (GZB), came out with its 12%-yeer, \$50m floater, paying % point over six-month Libor. It, too, was well received, trading at a 30 basis point the pre-market.

The third new issue of the day was a five-year, \$100m straight deal for the U.S. retailer, Sears Roebuck. Led by Goldman Sachs and Dean Witter, it carries an 11% per cent coupon at par and is non-callable. Though the pricing was thought to be reasonable, the timing was criti-cised. "Nobody cares about fixed-rate bonds now," one market participant said. "The tone of the market

The dollar secondary market was very pessimistic vesterday, with no retail interest. Prices fell by at least % point on the back of a downward trend in the New York credit mar

Barclays Bank of the UK has launched the first D-Mark Euro-

Nov 4 98.574 97.600

bond issue for more than two weeks. The 15-year, DM 250m bond has an 8% per cent coupon at a price of 99% and is led by Dreadner Hank. Initial reaction was positive and the issue traded at a 1 point discount in

In Switzerland, Mippon Tele-graph and Telephone is raising SwFr 100m in a 10-year public issue led by Credit Suisse. The indicated yield is 5% per cent. The World Bank will issue its fifth Euroyen bond today - a 10-year, Y20bn offering with an indi-

cated compon of 7% per cent and price of 99%. Yamaichi Securities will finalise the terms next Tues

is terrible."

Secondary market prices in Germany fell by % to % point, while in cession at a discount of about 1%

Switzerland they closed unchanged. Turnover was low to moderate.

Japanese development bank fund raising

BY YOKO SHIBATA IN TOKYO

THE DEVELOPMENT Bank of Jament-guaranteed foreign bond is pan (JDB) is planning to issue sues. The bank is considering carrypan (JDB) is planning to issue Y30hn in guaranteed foreign bonds during the current fiscal year ending March 1984. The funds raised by the bonds will be used for supporting JDB's increased amount of

"JDB wants to obtain Y30bn, if possible on the New York capital market, in the form of Nakasone bonds, to encourage an inflow of dollars to strengthen the year's value," said JDB officials.

According to JDB, demand for its loans, which have interest rates much lower than long-term prime rate, remains strong. As a result, the bank has decided to lift its ceiling on total lending by X30m, to bring the total to Y1.164bn in the press their Japanese hosts for a current year. The additional funds are to be fully covered by govern- liberalisation measures.

ing out part of its fund-raising on the European market.

The issuing of such bonds in the U.S., where interest rates are high by comparison with Japan, is one of various measures being taken totallow a more active capital market in the yen in view of the country's record trade surplus with the U.S.

There is growing criticism in the U.S. that Japan is promoting exports by keeping the yen deliberately low and that it is working for an economic recovery led by exports.

The move also comes shortly be-

commitment to trade and financial

7th November, 1983

These securities have been sold outside the United States of America and Japan. This announcemen appears as a matter of record only.

NEW ISSUE

Nomura International Limited

7th November, 1983

Deutsche Bank Aktiengesellschaft



The Nomura Securities Co., Ltd. (Nomura Shoken Kabushiki Kaisha)

U.S.\$80,000,000

6¼ per cent. Bonds due 1988

Warrants

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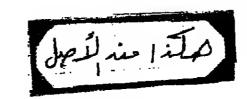
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FINANCIAL TIMES SURVEY

SWITZERLA

BANKING, FINANCE AND INVESTMENT

ON THE FACE of it, the Swiss financial community ought to have little to worry about in the present international economic climate.

Recovery in other leading industrial countries, notably the U.S., leads Swiss forecasters to be confident that, allowing for the usual lag, 1984 will hring a modest recovery in gross domestic product of hetween 1.5 and 2 per cent—an appreciable improvement from the virtual stagnation expected this year, which in turn followed a fall of 1.5 per cent in 1982. Unemployment is negligible. In a period when the debt

In a period when the debt problems of Third World sovereign borrowers have strained the balance sheets of some of the best-known names lo international banking, the Swiss banks, with their highly conservative capital ratios, look

Little wonder, then, that the Swiss franc's appeal to the rest of the world as a reliable store of value seems to remain un-diminished, and that alone among major currencies, it has roughly kept pace with the dollar's strength over tha past

With hankers once more re-porting heavy inflows of clients' funds in search of Swiss franc or dollar denominated investments, there can be little doubt that the sophisticated mechanisms of Switzerland's financial turntable, taking funds from abroad and on-lending them, for the most part abroad, are working as smoothly as ever.

Yet, as Swiss bankers and financial experts look ahead to 1984, they do not see an altogether unclouded horizon. They are, on balance, cautiously, optimistic about the outlook for the international ecocomy, though the caution stems from a clear-sighted view of the

a clear-sighted view of the obstacles.
So far as the domestic plcture is concerned, there is little doubt on the part of the financial community that Switzerland's traditional industrial structure is only at the beginning of a long period of change in loans to hard-pressed

Optimism in the financial sector over the outlook for the international economy is tinged with the customary Swiss caution. The domestic front, however, is dominated by the forthcoming referendum on the "Banking Motion", aimed at lifting the veil on traditional banking secrecy

Ready for the moment of truth

BY ADRIAN DICKS

in its recent history when, at a date still to be fixed cent spring, the Socialist Party's long-debated "banking motion," which seeks among other objac-tives to curtail traditional banking secrecy, will be put to a referendum of the Swiss popu-lation at large.

Open economy

The Swiss view of the inter-national economic picture is, inevitably for a relatively small and determinedly open economy, dominated by develop-ments in the U.S. The Swiss see the size of the prospective U.S. federal budget deficits over the cext few years as the factor most likely to prevent interest rates from dropping to levels that will permit a substantial easing of the burden of debt repayments for the developing countries.

There is also concern over the limited scope that the U.S. interest rate level leaves for

scape.

Finally, the Swiss banking world faces the prospect of a moment of truth unparalleled in its recent that the prospect of a moment of truth unparalleled in its recent that the side-lines of afe, designed for a country that they consider relatively sound, rescheduling and economic could come to seem a set of moment of truth unparalleled in its recent that the world's financial much last relatively sound. dominated the world's financial community for the past two years. Yet they are far from being able to walk away from the

being able to walk away from the problem; thanks to an international banking market that growa steadily more, rather than less, interdependent, their own business is inseparable from the general health of the system. Thus the visit of the "Brazillan circus" to Zurich in mid-October, to win the backing of the banks for the country'a proposed U.S.\$6.5bn international credit, gave the international credit, gave the Swiss the opportunity to demonstrate that in practice, they have little choice but to join in.

Yet their scarcely coocealed reluctance to do so has several causes. There is wide scep-ticism in Zurich about the practical and political ability of the Brazilians to fulfil what is seen as an ambitious and austere There is considerable doubt

in Switzerland whether any scheme so heavily geared to improvements in a country's export performance can succeed without far more liberal access for its export products to the developed countries', market. And not least, the Swiss are deeply suspicious about the risk

that may by its end leave a foreign governments, they are that the Brazilian rescue pack- which it bas always relied is very different economic land- somewhat on the side-lines of afe, designed for a country that rapidly heing matched by commuch less robust Latin Americae or Asian debtor countries.

> Few bankers cao ignore the fact that Swiss exporters have heeo among the casualties of the continued collapse of demand in the Third World for sophisticated capital goods. This, perhaps, has been the heaviest cost to Switzerland's traditional export industries, machinery and high value-added engineer-ing products, of the recession from which the country is only just emerging. Forecasters are divided over

whether 1984 will actually see some recovery in Swiss exports as the main engine of the country's growth (a thesis pot forward last month by the Swiss Technical University's economic forecasting department), or whether it will fall to the relatively modest forces of domestic demand to underpin recovery (as projected by the Basle Working Party for Ecocomic Research).

Uncertainty about the prospects for traditional Swiss breath as the assertion that export industries has been jobs would be endangered heighteced by the Swiss franc's should tha motion be carried strength on the foreign next year, and that Switzer-exchanges, which has forced the land's position as an international to realise that much of the strength arealists of the strength of

which it has always relied is rapidly heing matched by com-petitors whose prices are lower. The phrase "shrinking tech-nology gap" (referring to the failura to maintain what used to be a comfortable Swiss lead)

is suddenly in vogue. Unless the gap is re-opened, Switzerland faces painful re-adjustment in a number of hasic industries. In the words of one senior official, "We can no longer aspire to be tech-nically excellent in every area of technology. We need to specialise oot in hasic products but in their applications to an increasingly specialised range of situations."

Proud claims

It is one of the proud claims of the Swiss banking sector that, at a time when such traditional at a time when such traditional industries as watch-making, en-gineering and even chemicals are shedding jobs in the pro-cess of change, the financial sector is still creating them. The claim is one that is often

heard in the extensive debates that have been taking place over the Banking Motion. It is usually voiced in the same

Bankers, with the support of recent public opinion polls, be-lieve that the Banking Motion will be rejected by the elec-torate, though naturally they are careful to avoid complacency over the outcome. Broadly, the Motion stems from disquiet on the political left at two less acceptable faces of Swiss bank-ing—the suspected flight of large amounts of money from several troubled Third World countries to Switzerland, and the lingering Chiasso affair of the late 1970s. The heart of the Motion is the provision that would substantially weaken the rights of Swiss banks to with rights of Swiss banks to with-hold information on the identity

Should the Swiss electorate indeed reject this attack on secrecy, it would be honouring a firm tradition that a client's relationship with his hank is as confidential as his relationship with his doctor or lawyer. This year has seen the Swiss Federal Government forced to defend that tradition against familiar yet unnrecedentedly fierce assaults from the U.S. judicial authorities, most cotahly aimed at March Rich, the Swiss-based

international commodity group. While the U.S. side hardly belped its case by the manner of its approach and its disregard of well-established dispute procedures, many Swiss instinc-tively would defend the right of a company (or a private indi-vidual) to keep its financial affairs to itself. That much said, the Swiss authorities have moved some distance in recent years to limit the scope of pro-

ding brought about by the motion, the more substantive work of drafting ameodments to the banking statutes has been getting under way, with the strong likelihood that the super-Commission will be strengthened, and that statutory powers for the commission and the National Bank will replace selfSWISS BANKS AND FINANCE COMPANIES 1978/82

		-			
2	1978 Number o				1982 des (tota
	nam	ber of b	anches i	n bracke	ts) *
Cantonal banks	28	29	29	29	29
	(1,272)	(1,275)	(1,274)	(1,294)	(1,308)
Big banks	5	5	5	5	5
	(752)	(777)	(799)	(873)	(903)
Regional and savings					
banks	223	220	220	219	218
	(1,119)	(1,102)	(1,097)	(1,097)	(1,096)
Loan and Raiffelsen					
Bank Associations*	• 2	2	2	2	2
	(1,220)	(1,225)	(1,231)	(1,238)	(1.234)
Private banks	25	25	25	25	25
	(27)	. (26)	(26)	(26)	(27)
Branches of foreign					
banks	14	15	16	16	17
	(25)	(27)	(27)	(26)	(30)
Other banks	181	178	176	173	181
	(405)	(409)	(416)	(420)	(435)
Finance companies	73	80	84	90	95
	(76)	(84)	(88)	(95)	(98)
Almaladian bandawa		41			L C

 Including headquarters operations and foreign brain Swiss banks. **Two associations with total of 1,226 member banks at

Source: Swiss National Bank

being heard increasingly that it will simply co longer do for Switzerland to resist all change in financial matters.

In a speech to the Foreign Bankers Association last spring Dr Markus Lusser, a member of the executive board of the Swiss National Bank, argued atrongly that improved supervision could only enhance Switzerlaod's image as an international financial centre and distinguish it still more clearly from the offshore centres where effective oversight is lacking.

Dr Lusser also urged Swiss Snancial institutions to look urgently to their own abilities to compete in a world-wide, increasingly complex business.
Privately, some top bankers
query whether the recruiting
policies of Swiss institutions, coupled with the tight restric-tions on immigration, are providing the talent needed to match the strongest foreign banks and investment groups.

Yet there is strong reluctance to disturb something that works so well. As a general manager of one big bank puts it, "We could be more innovative, it is strong likelihood that the super-true, and we could bire more visory powers of the Banking whizz-kids from abroad. But what we must never forget is that there is also a heavy premium oo appearing conserva-tive, and in the end that is what the technical excellence on then be irremediably damaged. regulation. The argument is clients come to Switzerland for."

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Editorial production: Arthur Dawsoo Design: Philip Hunt





▲ 120.2.14 «Egg-Head», sculpture by Hans Jörg Limbach, Hombrechtikon, Switzerland

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Pace for new business slows

Foreign borrowings ADRIAN DICKS

AFTER SETTING a roaring pace for new business during the first half of this year, the Swiss capital market has slowed Swiss capital market has slowed down markedly since the late summer as a provider of funds to foreign borrowers. The National Bank's figures up to the end of August showed new public bond issues for foreign borrowers of SwFr 6.1bn compared to SwFr 9.97bn for the whole of 1982, while the volume of funds raised through private of funds raised through private note placements stood at SwFr 13.3bn against SwFr 18.2bu for

tha whole of last year.

A further SwFr 4.8hn was exported in the form of financial ported in the form of infancial credits, plus SwFr 895m in the export credits, during the first eight mouths of 1983, compared in a total of just under SwFr 10bm for both categories for the whole of last year.

Signs of a pick-up emerged in September but it is too early to say if this represents a new trend.

Uncertainty over the future course of interest rates bas hung over the Swiss market in recent months. Swiss rates, thanks to e steady and effective mans to e steady and energive monetary policy on the part of the National Bank, have been under no great internal pres-sure, while the inflation rate has dropped slightly faster than had been expected six months

By Swiss standards, the bor-rowing needs of the Confedera-tion, the cantons, municipalities and other parts of the public sector still give cause for con-cern. Yet net borrowing by the three levels of government this year is not expected to exceed SwFr 500m — a tiny sum by comparison with the needs of every other member-government of the Organisation or Economic Co-operation and Development.

certain strength of the American economic recovery and the According to bond dealers, consequences of these two Swiss investors are moreover, factors for interest rates appear ready to turn with something to have persuaded many bor-approaching relief to non-

rowers and investors to stay nn Investors, perhaps, have the more immediate reasons to turn their attention to the Swiss market. According to senior executives of the major Swiss banks, funds have begun in the past three or four weeks to flow vily back into Switzerlan

a judgment on the part of clients that may reflect in part the conviction of Swiss bankers themselves that the dollar is overvalued and that the Swiss franc, the only currency to have appreciated roughly in line with it over the past year, represents the best available alternative. Swiss withholding taxes of 35 per cent epply both to interest on domestic Swiss franc bonds and to dividends paid on Swiss shares; thus the most attractive investment instruments for investors wishing to purchase Swiss franc securities remain the bonds and notes issued on behalf of non-Swiss

usually profitable, at present. Coupons range from the heachmark 41 per cent paid by the Swiss Confederation on its most recent issue up to 51-51 per cent on straight issues for cent guidelines laid down by the first class North American Japanese Ministry of Finance, cent for comparable paper sold un behalf of the best-known of

the Japanese companies.

borrowers. With inflation at 2 per cent these markets look

The Swiss market has also had e novelty to offer in the past few months, in the form of dual currency bonds. These issues, so far all on behalf of had been expected six months ago, and is now likely to be well U.S. corporations, entail coupon under 2 per cent by early next payments in Swiss francs, but eventual redemption in U.S. dollars. There is still a lively debate going on in the Zurich banking community about whe-ther this instrument, pioneered by Soditic, the Geneva-based bond issuing house, has more to offer the investor or the borrower. There is also some in-gering apprehension that aggres-sive pricing on one issue for General Motors Acceptance

Corporation may have demaged a etill budding market. However, the dual currency Financial developments in feature does seem to have the U.S., however, weigh tempted back into the Swiss heavily on the Swiss fixed market treasurers of major interest markets. The stagger. American companies of the ing size of prospective U.S. quality that investors like, after federal budget deficits, the ina period of years when currency volatility put many of them off.



1983

Not that the market has had much to com-plain of; it has been prepared to absorb a huge volume of such paper, emounting in the private notes sector to as much as 70 per cent of all issues this year. Much of this has been in the form of convertible issues carrying coupons of around 3 per cent currently for top names and 31-31 per cent for smaller companies. With conversion premiums generally at the 5 per these issues have sold well against the background of e

strong Tokyo equities market.
Thus far there have been no their conversion options early and reinvesting the proceeds in fresh issues. For the Japanese borrowers, Swiss issues repre-sent cheap and ready funds

version into shapes by investors the queueing system is now brings them fresh equity more working more fairly. As one brings them fresh equity more quickly and cheaply than the alternative of a public share sue on the Japanese market. Yet, it is hard to resist tha

impression that the Swiss are impression that the Swiss are growing a little unexay at the relationship. Some bankers say there is now a certain reluctance among the more sophisticated investors to buy any more lapanese bonds or notes, while others say the market is "at the kinds of what it can digest." Members of the major bond underwriting syndicate, which underwriting syndicate, which includes all the biggest bapits, recently decided to allow Japanese banks and securities houses a larger share in under-

writing Japanese issues.

The gesture was described as a way for the Swiss banking community to show its gratifiade. business it has been enjoying brivately, however, some bankers complain that the Japenese lack placing power and that the Swiss members of issuing syndicates are sometimes finding themselves stuck with more than they want on their own books.

Meanwhite, the National Bank's efforts to persuade the big syndicate to loosen its grip on the market oppear to have borne truit. Esse managers within the big syndicate's mem-Thus far there have been no losers; the evidence is that investors have been exercising their conversion options early and reinvesting the proceeds in view of the limited number of places in the new issues queue. Smaller banks which have never joined the big syndicate appear

benker said, "We can all bring

for the dual currency issues. There is also a limit of one new issue a day, whether foreign or

Political pressure

A rare exception to the National Bank's policy of leaving the bond market so far as possible to itself came in mid-September, when it announced that it would not approve further public issues on behalf of foreign governments' export credit guarantee institutions. It appears to have been subjected appears to have been subjected to considerable political pressure from Swiss export industries, some of which took the view that the Swiss capital mar-

market seems gracily exag-gerated; the foreign export issues now, practically as and credit agencies still have unwhen we like."

Public bond assues remain placement market provided that subject to the National Bank's approval, and it maintains a the OECD's guidelines on minimum of SwFr 100m on issues, man interest rates on their with some exceptions aboved credit agencies still have un-

Meanwhile, Swiss banks are discreetly lobbying for the National Bank's support in a long-standing aim of setting the Berne government to remove Berne government to remove the stamp duries charged on securities transactions. The duty, set at 0.15 per cent on both sale and purchase, is alleged to weigh significantly on bond yields, in particular, come Zurich bankers argue that this resuld help drive secondary trading of Swiss franc bonds out of Switzerland, thus weakening the National Bank's relatively smorestful attempts over the very appears to nave been subjected to considerable political pressure from Swiss export industries, some of which took the view that the Swiss capital market ought not to be used to help subsidise their competitors.

Initial grumbling by some bankers that the National Bank seems so far—at least outwardly—unimpressed by this argument.

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grat France

Difficult and disappointing

year for trading

Gold

ANTHONY MODERMOTT

IT IS generally acknowledged by the three main banks in-volved with the gold trade in Zurich—namely the Union Bank of Switzerland (UBS), the country's largest bank, the Swiss Bank Corporation (SBC), and Crédit Suisse—that 1983 in proving to be a difficult and

There is a traditional reluct-ance to discuss figures connected with gold (as with other items), but of these three only SBC sees this year, in terms of profits made from gold trading profits made from gold trading, as likely to be better than 1982. Some of the reasons are not hard to find. This year alone on the Zurich market the price of gold per ounce has fallen from US\$496 in Jenuary to US\$386 at the end of October.

Purchases heve not been helped by the high exchange rate of the dollar, and a world-wide decline in the rate of inflation. Demand has fallen off from Saudi Arabia and countries of the Gulf because of the need to help finance Iraq in its war with Iran Furthermore, debted nations such as Brazil, are said to have been selling extensively on the Zurich market.

One problem in assessing Zurich's importance, is that un-like many other commodity markets, there is no easy accessibility to figures. Thus whether the so-called "hard times" are bard is difficult to quantify, and whether things get better depends less on the undoubted skills of Zurich gold brokers and more on the per-formance of U.S. interest rates and whether there will be a worldwide pullback from global

Withdrawal

For a start, the individual, rather than the professional gold purchaser has, to some extent, withdrawn from the market. Measured against inflation and allowing for the emotional value of mid as a emotional value of gold as a fallback, the individual, given lower inflation, no longer apparently sees it as the refuge it once was.
For the brokers there has been the somewhat dispiriting

fact that, although the price has slipped over the year, the vola-tility in reaction to world events (which brings with it the (which brings with it the promise of profits) is not there. For example, when over 240 U.S. marines were killed in Beirut et the end of last month, the movement was only about U.S.\$5. Anything between U.S.\$20 to U.S.\$40 would have been normal in the past two

years or so.
As the SBC relates, Zurich, like London, is primarily a "physical" market. In other words, the gold contracts are written for actual delivery. The introduction at the beginning of 1980 of a 5.6 per cent sales tax on physical gold sales to rea has modified this to some extent, course not least because Zurich lost busy.

Swiss banks or to foreign banks as a whole, notably in London and New York, To get around this, the move

has been towards not obtaining gold physically but rather establishing a metal account in a bank, thereby avoiding the physical movement of gold in and out of the country.

The gain to the Swiss Govern-ment is questionable. According to Mr Paul Zubler, senior vice-president of UBS in an address to the Financial Times World Gold Conference in Lugano last precious metal holdings of banks and finance companies domiciled in Switzerland . . . totalled over SwFr 23th at the end of 1981."

Little change

Gold is estimated to account for coughly 80-85 per cent in nominal terms. This equals approximately 800-850 tons of gold in 1982. These figures are unlikely to have changed very

much. The Federal Tax Authorities collected SwFr 65m in each of the years 1980 and 1981, and in 1982 SwFr 60m on precious

These statistics suggest the despite the introduction of the sales tax, physical precious metals sales subject to the tax almost

Some of the stability of the Zurich market must come from the policies of the main suppliers. Since the beginning of the 1970s South Africa, whose estimated expected production for 1983 according to Con-solidated Gold Fields is 665 tornes, has been sending some-thing like 80 per cent of its supplies through Zurich.

It has been selling almost all his newly-mined gold and, once allowances have been made for Krugecrands, last year about 280 tonnes of South African gold passed through the Zurich market. It was estimated that the Soviet Union, which has withdrawn because of the fail in price, sent something like 75 tonnes.

75 tonnes.
To get round the problem of the sales tax, and to counter the arrival two years are of Mocatta, a member of the London gold-fixing pool, the threa main briks set up Premex. three main banks set up Premer in October lest year as a gold-broking company. By all accounts this has been performing shove expectations though bankers are refuceant to give detaits.

moment what they were. "In the 1960s and 1970s," one banker put it, "I would have been a fool not to have made a profit. Today I regard myself as a hero if I do."

There is more competition.

There are now 50 more brokers operating since the beginning of the year in Zurich and caution is the main message. It would need, they claim, only one purchase of some 20 tonnes under present market condi-tions to signal to other investors to reservest. It does mean, of

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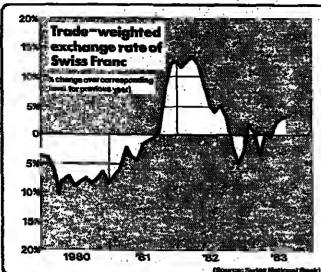
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SWITZERLAND: BANKING AND FINANCE III



Exchange rate likely to stay strong

Swiss Franc

JOHN WICKS

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THE SWISS franc remains one of the world's most sought-after currencies. Although inter-national recession has led to a decline in the national economy, the trade-weighted revaluation of the Swiss franc reached an all-time record in early October. In the long term, the exchange rate seems likely to stay very strong, not least against the

Until the Bretton Woods system collapsed in the early 1970s, the currency had been consider-ably undervalued. Before the any undervated. Before the foreign exchange market took off in 1971, it was running—as it had been for 35 years—at around 4.30 to the dollar, with some SwFr 1.19 equal to one D-mark. It then began an upward journey which took it to 1.45 per dollar and 0.75 per mark at the height of the 1973 currency crisis. Decisive measures by the Swiss National Bank soon brought more realistic rates in terms of major cur-rencies. On October 31 the dollar was being traded at some Swir 2.13 and the D-mark at more than 81 centimes. At the same time, though, At the Swiss . franc has continued to strengthen against meny other currencies of important trading partners, among them the French franc and the

in the world at large. From over 85 centimes in spring, this gradually dropped to barely 30 centimes by mid-August. Though the National Bank claims its former aim of keeping the DM parity "substantially over 80" is not necessarily an eternal guideline, it reacted rapidly with a short burst of interventions, buying marks against both dollars and Swiss

Upward trend

It now seems prohable that the DM will show a slight up-ward trend in the medium term, at least to go by comparisons of Swiss and German consumer Swiss and German consumer wholesale prices and respective interest levels (also a calculation by the SBC). Most observers, on the other hand, expect a further gradual fall in the dollar. In all, the Swiss franc should retain or perhaps even improve its high overall level against the field.

level against the field.

The solidity of the national currency has naturally made itself felt in the Swiss economy. Manufacturers and such service industries as the botel business are finding it hard to keep both markets and margins—though they are considerably helped by an inflation rate of only 1.4 percent per year and the fact that Swiss goods and services tend to cafer for the carriage trade. On the other hand, imported goods are showing only a minimal rise in prices with a corresponding improvement in Switzerland's terms of trade. The low inflation rate is, of course, itself due not least to the high Swiss franc.

The massive influx into the currency is not having the same kind of undesirable economic effects experienced during the 1970s. Nor is it leading to an untenable internationalisation of the Swiss franc. This is the result particularly of the continued growth of foreign borrowings, now subject to almost no restrictions. In the first eight mouths of 1983 alone. almost no restrictions. In the first eight mouths of 1983 alone, capital exports subject to National Bank approval amounted to SwFr 24.95bn, of which SwFr 13.37bn were in the form of medium-term notes, nearly SwFr 6.1bn public bond issue and the remainder bank loans.

the currency is. The likelihood of a foreign-exchange gain in many cases outweighs the modest yield of a typical Swiss-

Cheap coupons

attracted by the cheap Swiss franc conpons and the almost invariable success of subscripinvariable success or success-tions. Although some foreigners obviously suffered in the past decade from the jump in the exchange rate, the interest differentials are such that the Swiss franc would have to carry out a new lesp to rule out the corresponding advantage.

The Swiss policy-makers remain very much alive to the danger of large-scale external use of the currency. With only 6.4m inhabitants, they say, the economic base to support a reserve medium and could receive serious shocks from masportant trading partners, among them the French franc and the lira. Without any real notice being taken of the fact, the trade-weighted revaluation index compiled by Swiss Bank Corporation showed a new high on October 5 of 150.69 per cent ahove the corresponding value at the time of the Smithsonian Agreement in December 1971.

There has been no call for the same concern and the same policies as greeted the 1978 peak. The Swiss franc has been subject to a much less rapid upswing, and the dollar and mark as key currencies are still considerably stronger than then. While Switzerland has grown rather fatalistic about the vagaries of the dollar, however, it is anything but indifferent to the weakening of the DM—the currency of its biggest single export market and competitor in the world at large. From over 85 centimes in spring, this

the National Bank said frankly that the gradual removal of restrictions on foreign borrowing had been aimed primarily at obviating an expatriation of Swiss-franc business. "This liberal policy was chosen," the Bank said, "because it had become increasingly clear that the international use of the Swiss franc cannot be hindered by administrative directives. What is forbidden in Switzerland can be carried out abroad without any obstacles." This straight forward statement had been considered necessary in the light of calls for a brake on capital exports—especially on the rush of private placements and public loans on behalf of Japanese interests.

Japanese interests. Whatever the case, the Swiss remain convinced that monetary policy cannot be decided in a vacuum. Dr Fritz Leutwiler — National Bank President and President of the Bank for International Settlements—has always pleaded for a maximum always pleaded for a maximum of international co-operation in the currency sector. The Bank's own go it-alone attempts, with interventions of SwFr 22.5bn in crists year 1978 alone after SwFr 45.5bn in the three previous years, were of uncertain value. Nevertheless, there is still no burry to join the International Monetary Fund, particularly with the question of UNO membership still in the air; the Swiss feel they already have an excellent working relationship with the Fund and relationship with the Fund and World Bank and this April became full members of the

General Agreement to Borrow. in prices with a corresponding improvement in Switzerland's operate with the rest of the terms of trade. The low inflation rate is, of course, itself due not least to the high Swiss franc.

For foreign investors, Switzerland remains a great attraction. Apart from the economic stability of the country, which despite a drop in real GNP should again show a surplus on current account of several billion Swiss francs, the outside world is well aware of how hard The Swiss readiness to co-

Income rises sharply

end of 1982. The more attractive investment environment has led to a sharp rise in income and a marked drop in withdrawals this year so far, with the result that the number of certificates in circulation has returned to the mid-1981 level of over 140,000.

JUNIT TRUSTS

JOHN WICKS

JOHN

tion than in 1973 and assets are not incomed and a marked drop in withdrawals this year so far, with the result that the number of certificates in circulation has returned to the mid-1981 level of over 140,000.

In per-capita terms, Switzerland has the highest unit-trust holdings in the world. Its investment funds are in effect part of the hanking system, the custodian banks working with affiliated fund-management companies. Over three-quarters of all assets are managed by subsidiaries of the Big Five, though the cantonal, private, foreign controlled and other banks are also well represented. Swiss banks likewise act as representatives for the 42 foreign funds permitted by the Federal Banking Commission to advertise in the country.

The first Swiss investment larity with foreign interest are attracted especially by the various Swiss funds with securities consisting mainly or wholly of foreign securities, in that the dividends of funds with at least 80 per cent income from non-Swiss sources are not subject to 35 per cent withholding tax was removed to the withholding tax was removed to

Swiss bond share and note issues, 1979/83 Jan.-Ang Jan.-Ang. 1981 1982 Domestie public bond issues: In SwFr million 5,282.9 4,964.9 9,998.8 6,137.9 9,428.4 9,810.4 (of which new money)* 4.632.2 7.627.9 6.987.1 Foreign public bond issues (new money): 4,767.6 9,974.5 6.483.06,167.7 423.2 916.9 2,041.3 Swiss share issues: 1.349.2 2,267.0 Foreign borrowers' medium term notes (private place-7,463.0 I1,183.0 15,642.2 10,252.2 12,889.0 ments) new money: 8,679.0

"New money" is equal to issue value minus re-financing transactions)
Source: Swiss National Bank

Nevertheless, Swiss bankers feel there is scope to expand after a long period of near-stagnation, now that the general public is losing its mistrust for the services of Switzer-and's open-part trude. The land's open-end funds. The stringent regulations of the Banking Commission certainly seem to bave thinned out any trusts which might have been marginally less serious-minded than the national norm.

At the same time, the trust managers think it would do no harm if the power that be eased np on some of the less necessary restrictions. Times have changed, they say, since the Federal Investment Fund Law was passed in 1966.

able to invest in debt-register licensed to invest in bonds; at

well become more general in future, having already shown themselves to work well as an official borrowing medium in the Federal Republic. Denmark is said to be planning an overall removal of the classical securities title. In Switzerland liself, debt-register claims are used solely for the moneymarket paper issued with one to six-month maturity by the Conmarket paper issued with one to six-month maturity by the Con-federation. There is now some talk, however of converting the very important "Kassenobli-gationen" (the banks' own over-the-counter, medium-term

The Investment Fund Commission of the Swiss Bankers' some of the reforms it would like to see enacted. One of these is that the Banking Commission should not misst that the securities funds invest only in "securities" in the strict sense of the law. What this means is that the funds would like to be gationen" (the banks' own billions in Swiss banks' total over-the-counter, medium-term bouldings in Swiss banks' total over-the-counter, medium-term assets are less than 1 per cent for easing up a "Even a doubling of the curlitite on the investment funds, rent fund assets would be both economically acceptable and, standards. The Banking Comsistency in the international risk mission, for example, situation, in the interest of the announced in its 1983 report individual client," it was stated that it had ruled in favour of at a Berne meeting in the the funds would like to be

claims with no actual security the same time it disclosed rules deed such as the German for the hitherto vexed question of how to attach a current value to zero issues. The Government is also continuing to work on These "untitled" claims may the fical difficulties arising in the ficase of domestic real-estate funds, though it remains to be seen how these can be finally resolved as part of the pending tax-harmonisation programme.

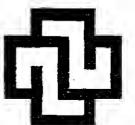
Whatever the case, there could soon be growth rates property market. As the Banker's Association points out. the less than SwFr 10bn worth of securities represent only a tiny share of the hundreds of billions in Swiss banks' total portfolios, while the property assets are less than 1 per cent of all Swiss real-estate values.

"Even a deviling of the cur-

he factors



Bank Leu



Credit Suisse



Swiss Bank Corporation



Swiss Volksbank



Union Bank of Switzerland

Changes on the domestic front are inevitable

The Big Five ANTHONY MEDERMOTT

THE BALANCE sheets and earnings of the five main Swiss banks show that they are beading for a record year this year, but in the banking sector as a whole issues such as switzerland's famed bank sec-Switzeriand's lathest ball sec-recy, moves to adapt it, insider trading, and spectacular domestically-financed rescue domestically-financed rescue operations for industry are causing considerable debate.
And, to some extent, concern. First half results from the Union Bank of Switzerland, the

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in Switzerland in 1869, is a traditional Swiss bank backed by the resources and expertise of the

Bank Leu — the Big Five — indicated higher earnings from almost all operations and it is expected that this would con-tinue for the rest of the year.

In 1982, the top five recorded rise in combined net profits of 14.3 per cent to a record SwFr 1.2bn. This rate of growth was faster than the 8.3 per cent rise recorded in the balance sheet total.

The banks benefited from particularly strong activity in the securities markets.

Swiss stock exchanges, coupled with a high volume of under-writing business in public bond markets and in the sale of privately placed notes, has ensured for most of the industry a high level of earnings from broker-

national credit business, though start of the year, despite it appears to have become a the calmer tone of markets this good deal more selective, is also year and the steady erosion of said by senior bankers to have remained profitable.

The Swiss interest rate patseriously disturbed in has long since returned to a normal yield curve. Al-though banks remain concerned though banks remain concerned at a level of U.S. rates which they believe will remain high for the foreseeable future, there seems little to complain of in the recent pattern of Swiss interest rate spreads. Interest income, after apparently rising steadily for the past 12 months or so, has now flattened out at a comfortable level.

In two other areas of busi-ess, foreign exchange and ness, foreign exchange and precious metals trading, profit-ability appears to have im-proved after a relatively weak

bean offshore centres. But the Commission also gave a warn-ing that Switzerland could not consider itself "immune" from

the wider problem.

More recently, the Commission has stepped in to warn a number of banks, several of

are made good.

gold prices.

Overall, the Swiss banks can congratulate themselves, by comparison with their competi-tors in, say, the U.S. or West Germany, on the quality of their assets. Yet the picture is not entirely unclouded. The Federal Banking Commission, which is responsible for productional supervision, while the Netional Bank enforces mone-Netional Bank enforces mone-tary policies, last spring pro-nounced itself generally satis-fied that the Swiss banks' exposure to dubious sovereign borrowers gave no cause for concern. Over 80 per cent of the banks' foreign assets of SwFr 227bn were invested in industrial countries or Carib-hean offshore centres. But the

them Swiss affiliates or sub-sidiaries of large U.S. institusidiaries of large U.S. institu-tions, thet it considered their provisions against sovereign risks to be inadequate. In the past, it has been left to in-dividual institutions to evaluate their own sovereign risk exposure, and it appears that the Commission is still willing to allow considerable flexi-bility in how the shortcomings to which it has drawn attention are made good.

THE "BIG FIVE" BANKS First half figures Figures in Swfr(m) Advances to chem 47,042 41,650 36,171 . 2.649 5.181 70.738 47,811. 16.358 16.15 5,474

especially (although the Com-mission strongly denies the with which major deals were pending.

Bigger Swiss banks, which are not thought to have been the object of the Commission's set aside substantial pro-visions. Yet, these reflect not only the banks' exposure to problems abroad, but also their involvement in a small number of industrial rescues at bome. Unlike almost every other in-dustrialised country, Switzer-land lacks a central government with the machinery, the funds and the inclination to help lame

The task has therefore fallen to the banks, partly as a con-sequence of 2 deeply ingrained tradition of seeing industrial customers through bad times, None the less, the Commission's action caused some constraint among banks when they fear increasing

official interference.

Indeed it is domestic risks—notably the eight-bank consortium, led by Swiss Bank Corporation, announced in May to promote a merger between the two largest watch-making companies, Societé Suisse pour l'Industrie Horlogere (SSIH) and Allegmeine Schweizerische Uhrenindustrie (ASUAG) which could cost as much as SwFr 1bn over the next three years which cause more concern.

Swiss bankers concede that the National Bank and Banking Commission exercise a very light supervision over them. Yet they are troubled by what they see as a trend towards greater official interference, and fear that this could be enshrined in the revisions to the banking statutes now under discussion. This change of fundamental principle in the relationship of Swiss banks to the authorities if such it really is—is more-troubling to bankers than the more highly publicised politi-cal attack on the secrecy regu-

one hand, the Social Democrats' initiative against the "misuse by banks of their own power and the Swiss bank secrecy laws," is still due to be put to public referendum next year.

The comparatively poor show

The comparatively poor showing of the Socialists in the general elections at the end of last month has given bankers heart that it is not an issue which will go very far.

The Association of Swiss Bankers (ASB) acknowledges that modifications must come but does not except that the holders. does not accept that the bolders of bank accounts above a certain value should have their

Tighter system

anthorities.

The extent of Swiss bank secrecy for the so-called numbered bank accounts has been exaggerated and stimu-lated by international political scandals and accusations of the involvement of the Mafia and

Austria, indeed, probably has a tighter system. The essence of the Swiss system—and client are being more closely vetted than before—is that the names and account numbers are held separately. This means that a portfolio manager might be able to put some of the two

Meanwhile bankers have been infuriated by the evidence of a systematic scheme by the French tax euthorities in obtain the names of French clients of URS by buying shien computer codes. The Swiss authorities have pressed charges against two former UBS em-against two former UBS em-ployees, one of whom has fied the country, and the incident has not done anything to repair a whole series of irritants to Franco-Swiss relations. French state borrowers are reported to have been politely advised that their paper would be unlikely to interest Swiss in

Confidence remains despite setbacks

ANTHONY MCDERMOTT

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FOR THE BANKERS in Ticino, the Italian-speaking canton of

Switzerland, whether trey represent local or foreign organisations, the boom of the 1950s and 60s largely based on money coming in from Italy, is past. It is remembered with pleasure, but it is accepted as being over and, what is called the program or country are in a normal growth rate" balance sheets and profits is taken as the foresecable norm. In 1976, the Italian Govern-ment made the export of capital a criminal offence. In spite of this and in spite of the problems this and in spate of the problems the region have all shared in caused by Italy's recurrent this growth. Thus, in Lugano, economic crises funds continued to flow in. But as a result of bounding by the Italian of Chiasso it is up by a third to suit of bounding by the Italian of Chiasso it is up by a third to suit of bounding by the Italian of Chiasso it is up by a third to suit of bounding by the Italian in Locarno 420. As a whole, the ties, it is on a lesser and more secretive scale. Bankers in all bank employees in Switzer-Lugano comment evasively:

"We don't create a need it Returns even in these more We don't create a need, it

dy exists from the other The flow of funds has also been hindered by the bad publicity of the Credit Suisse Chiasso scandal of 1977 and the impact of the Ambrosiano shock 1982 on Banca del Gottardo. Clients, particularly Italians, are more circumspect about banks, and the latter are far more careful about whom they

43 banks

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The indications are that tha 43 banks in Ticino have taken sober stock of the gluation and sober stock of the gluation and intend to remain. Physical signs of confidence are also there which go beyond changes of administrative convenience. Several major banks — for example Banco del Gottardo, the Swiss Bank Corporation, the Overland Trust Bank the Union Bank of Switzerland, Banco della Svizzera Italiana are in the nrocess of starting, or moving into, new buildings costing a minimum of SwFr costing a minimum of SwFr

Employment by the banks remain strong, according to figures issued by the Canton of Ticino. Out of a workforce of Out of a workforce of (including those who crossed the frontier daily from Italy) those in the banking sector have risen from 6,438 in 1980 to 6,922 last year. Almost half of these are employed by the big five Swiss national banks, but banks over the last decade such as Banea Unione di Credito owned by First Overland Trust, and BSI have more than doubled their staffs, The latter was in 1982 the largest employer outside the big five with more than 900 employees.

Record profits

The chief banking towns in the region have all shared in this growth. Thus, in Lugano, it has almost doubled to 4,850,

restricted times have been encouraging. BST, founded in

of this century a producer of bank-notes, had an increase in bank-hotes, had an increase in its balance sheet total of 19.2 per cent in 1982 over 1981 to SwFr 5.04bn and at the end of September, had recorded a further rise of 7.3 per cent to reach SwFr 5.42bn. Net profits in 1082 records. in 1982, were up by 4.8 per cent at SwFr 30m. Banco di Roma per laSvizzera had e rise in its balance sheet for 1982 of 8.4 per cent to SwFr 2.26bn (although this did not reflect funds described on 6 del 1982 by 1982 of 8.4 per cent to SwFr 2.26bn (although this did not reflect funds described on 6 del 1982 by 1982 of 8.4 per cent to SwFr 2.26bn (although this did not reflect funds described on 6 del 1982 by 1982 of 8.4 per cent to SwFr 2.26bn (although this did not reflect funds described on 6 del 1982 by deposited on a fiduciary basis) which increased by 23 per cent over the year.

For the smaller Swiss-owned For the smaller Swiss-owned Overland Trust Bank, this year should be a record with profits up by at least 15 per cent, on top of last year's net profits of SwFr 3.13m. Banca del Goltardo, a foreign bank in spite of its name, suffered a 6 per cent drop in its balance sheet in 1932 compared with the 1982 compared with the previous year (although profits were marginally up by 2.4 per cent). But at the end of September, the balance sheet was SwFr 3.68bn, up by 7.6 per cent on the figures for the end

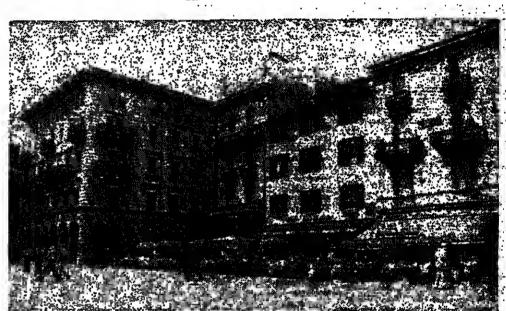
of December.

There are eight foreign banks in Ticino and the essence of their future strategy is diversification. BSI being the most locally established Swiss bank, and with the most emborate network of the control and with the most elaborate net-work of branches in the Canton, feels it has a responsibility towards the local economy. In July it set up with Fidman Fiduciaria, a local unit trust company an industrial advisory organisation, with a capital of

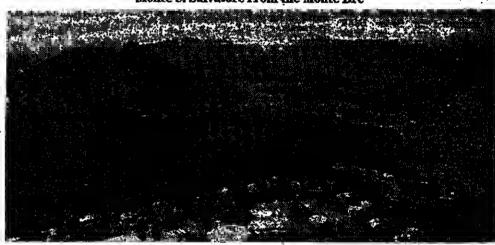
organisation, with a capital of SwFr 5m to encourage local and foreign investment.

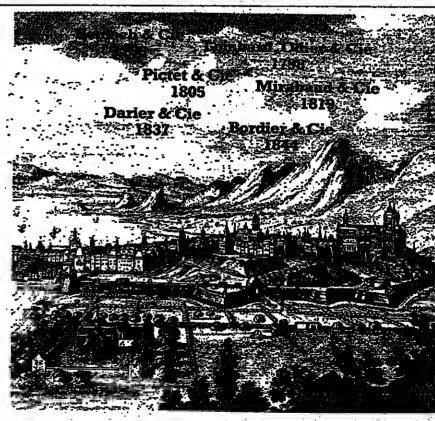
But ell banks feel that they should "reach beyond the Gotthard." BSI is to open a branch in the Confederal Capital, Berne next year. After the top three Swiss banks, it is the first to have a full branch. is the first to have a full branch in New York. Gotthard managed 14 oew issues worth about \$0.5bn in Swiss frames (12 of which were for Japanese borrowers). Fiduciary accounts funds, entrusted to the bank for investment, or loans in the bank's name, but at the client's risk, form a large part of

But banks in Ticino recognis that local opportunities are finited. The local airline, Crossair flies to Lugano three or four times a day; it is les than one hour away from Zurich or Geneva. But the consensus would seem to be that Lugano is not going to become more of an interna-tional financial centre than it is



Piazza Riforma, Lugano, chief town in the canton of Ticino, where employment. in the banking sector remains strong. Below, a panoramic view of Logano and Monte S. Salvatore from the Monte Brè





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SWITZERLAND: BANKING AND FINANCE V

Tide may be turning in favour of Swiss shares

Stock Markets ADRIAN DICKS

BY COMPARISON with most other internationally important financial centres, Switzerland has put up a somewhat centious performance since the bulls took firm possesson of the world's. equity markets in the summer

Although the Swiss market rose about 35 per cent from August 1982 to August 1983, the Swiss Bank Corporation index of the Stock market has shown no clear direction during the peak of \$47 which it scaled

Factors peculiar to Switzer-ian have both braked the up-At our Bank we have long specialised in staying one franc, on the grounds of a sharply declining domestic infla-tion rate coupled with a distinct,

anxious to diversify their equity

Part of their new entinelasm for Swiss shares may also be explained by a widely held view that the market is undervalued. Yet calculations carried out,

None the less, for an investor based in Swiss francs, the share market has overall offered lessthe foundations | year than have been available investment from fixed-interest securities. An average yield in late suminvestors — always famous for their preference for regular cou-pon income — when the yield on long-term government bonds was ebout 4.75 per cept and that on first-class Swiss franc foreign bonds considerably higher than

shares, again taking the average of the market, remain relatively low at around 10.5 per cent— up from their low point of about 8.7 per cent earlier this year

Zurich lock setylal index 200 World stock market **Credit Suisse index**

MAIN SWISS STOCK EXCHANGES 1979/83

	SwFr(m))		(SwFr(m)) Day Raine	Dargan
1979	115,553	264,189	25,390	82,291	99,955
1980	132,597	297,994	28,632	91-449	105,103
1981	147,104	296,375	31,166	85,513	93,879
1982	190,304	326,570	37,684	89,989	115,493
JanAug. '82	94,109	169,253	18,908	45,025	60,382
JanAng. '83	176,737	267,970	34,645	81,171	95,127
= Ganmer dose	nor oublish t	umover Cou	744		

age of the past five years. As this would indicate, shares of a number of leading companies have been looking historically cheap in recent months; bankers involved in the market confidently expect e broad rise of at least 15 per cent in the course of the next 12 months.

Optimism

panies. Swiss bank shares, companies which make up no less than 35 ment por per cent of the total value of from the stock market, were also hit equities.

earlier this year by their industrial in this trial cusomers' problems and by political uncertainties. They have tended to depress the index for much of the past year, yef the combination of e crop of extremely positive full-year earnings forecasts, deriving from growth in most areas of banking business, with a modest easing of domestic enterest rates has drawn the keen atten-

tion of analysts. Not least among the fundamer of only 2.5 per cent on mental factors favouring Swiss Swiss equities, according to bank shares is the country's Credit Suisse, can have had very low exposure to troubled sovereign borrowers in Latin sovereign borrowers in Latin America, East Europe, and elsewhere. Within Switzerland itself there is a growing perception that the Socialists' attempts to whittle away at bank secrecy are running out of political

Similarly, Swiss Price earnings ratios on Swiss shares, though they showed cares, again taking the average some unsteadiness earlier in the year, have recently been trad-

but little higher than the aver- of Swiss and foreign investors. By comparison with their rivals in other countries, the Swiss chemical companies realised early on the attractions of concentrating on higher value-edded products rather than bulk chemicals. They beve also impressed investors with their strong balance sheets, as well as purposeful research spending

and considerable diversification. Swiss insurance companies, In part, their optimism rests on e corporate profits outlook that has improved in the third quarter of this year after e steady diet of bad news from engineering and machinery comments. Some of the training techniques of futures markets, ing losses in 1982, are another. It may also spark off a wave recovery sector whose shares of foreign interest in Swiss are widely expected to gain registered shares, according to steady diet of bad news from more ground over the next few some bankers active on the market. Customarily these shares companies, there is the profit of the training techniques of the training techniques of futures markets. more ground over the next few months—not least because the companies' own huge invest-ment portfolios have benefited from the worldwide gain in

> In this context, it has to be remembered that of the buge sums of clients' money invested in equities by Swiss banks, insurers, investment funds and other intermediaries, only a relatively modest portion is placed in the Swiss financial markets. Highly publicised disputes with the American anthorities not-withstanding, Swiss institutions represent enormous and highly experienced investment power in Wall Street, to say nothing of the billions of dollars channelled through the banks' fiduciary accounts into Eurodoliar market

The Japanese stock market, too, has attracted a considerable volume of investment from Switzerland this year,

The U.S. markets, with their unequalled depth and variety, offer a Swiss investor much that he cannot readily find at home such glamour sectors as venture capital funds, bio-engineering and microelectronics.

Yet more striking, according to some Wall Street investment ing below their highs for the past 12 months and have continued to attract the attention described by Swiss institutions. During the great bull market's

first few months up to the end of 1982, there is said to have been extensive liquidation of bood positions and portfolio shuffling, yet little net new buy-ing of U.S. securities before early 1983.

As a source of funds to Swiss business, the equity market has in recent years tended to lag well behind both the bond market and the credits provided directly by banks to the small to medium sized family-owned companies which remain typical of much of the country's manu-facturing industry.

Yat there have been a handful of new flotations on the market in recent months including Antophon, the electronics group, while a number of com-panies have carried out capital increases using the device of bond issues with an equity con-

version option.
In late October, Bank Leu, smallest of the five banks usually grouped as leaders of the banking community, an-nounced a forthcoming one-forten rights issue, the first of a batch of such issues which the market had been expecting as the banks' steadily growing the need to maintain their capi-

tal ratios.

Another development which likely to add spice to equity crading in Switzerland is the proposal approved by the Basle Stock Exchange, steeling a march on both Zurich and Geneva, to shift to four fixed dates in the year the settlement days for the well-established forward trading in stocks. Hitherto settlement of such trades has taken place one, two or three months after the day of the transaction.

The new arrangement, while involving little change in back-room practice for the banks, will —its sponsors hope—introduce into Switzerland for the first time some of the trading tech-niques of futures markets.

have been cheaper than bearer shares because foreigners are unable to hold them. Under the new forward dealing rules, however, foreign investors would not be prevented from forward buying of registered shares, provided they were resold before settlement day.



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Private Banks

ANTHONY MODERMOTT

change of emphasis in its ser-

vices.
The move was reminiscent of

that of another Zurich family bank, Julius Baer, which went

public in 1975.

public in 1975.

Profits appear to have been healthy over the last four years especially from port-

years especially from portiolio management. The principal private banks—six in all—belong to the Groupement des Bangulers Privés Genevois, The largest two are Lombard, Odier and Pichet, Both, and in particular the latter, have concentrated on securities research.

PRIVATE BANKS mainly out of Geneva. In 1982, they did very well and there is no reason to suppose that this year has been any less success-

Discretion: — reflected in elegant premises—as well as secrety are the keywords for private banking, so there are no statistics to back up claims for 1982's performance. It is known, however, that in recent years the private banks have diversified beyond personal porifolio management from which they have been making most of their profits. Private banks as such have been falling in numbers. In 1903 there was a total of 266 private banking companies listed. In the 60s this had fallen to 49 and there are now 21 of whom nine are based in

85 partners

Geneva-

More than half of the 85 partners in Swiss private banks are in Geneva and approximately two thirds of their 1700 employees are also there. Those banks which have remained

have expanded rapidly.

In Zurich, J. Vontobel ston and development and (founded in 1924 and the City's M. Pierre Relier, a partner of largest private bank) created a stir in September by changing its status from that of an unsuperscript in the local press—itself an indication of private banking limited company to a limited; self-confidence—that private company to be known as Voncompany to be known as Von-tobel Holdings but the Von-tobel family will continue to hold 95 per cent of the SwFr 50m capital. It was more an act of antici-peting the potential and even-tual need for more funds than

self-confidence—that private strength of the private banks will continue to play a and their history goes back to significant role in the field of hench, established in 1796, international portfolio manage and Lombard, Odier two years

eentrated on securities research.
The role of the private banks
is quietly acknowledged by the
banking community as a whole
through such traditional
gestures as the fact that it is a
private banker, Alfred E.
Sarasin, who holds the
chekrmanship of the Association
of Swiss Bankers, some expen-

According to M Keller, Lomhard, Odier—and this is not untypical of the pattern of operations of other private

expanded its institutional activity in Switzerland and in the U.S., Britain and the Middle East. It has opened offices in London, New York

and Bermida.

It has also been making efforts to develop clientele among the large U.S. pension funds. In addition to the bank's international expension, M Keller ettached much into portance to private as well as institutional clients. Nevertheless, the trend would appear to be more towards international

rather than private clients.

Half of the portfolios managed by Lombard, Odier are reckoned to be institutional and Pictet's percentage is not

Successful venture Perhaps Lombard, Odier's most successful recent venture was the launching in March in the U.S. of a new Science and Technology Fund, known as Scitech whose initial placement

Above all, the private banks in Geneva appear to be holding off the competition which has been the result of the expansion in foreign banks with interests in private investors setting up subsidiarles or branches in the city, so that there are et present some 120. But the later-lies in the personal and private level of their advice. Private banks have been, significantly, less hit by the present

secrecy than others.



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SWITZERLAND: BANKING AND FINANCE VI

New issues head for a record

Bowestic borrowing and money markets IOHN WICKS

THIS YEAR is shaping up to set a new record in domestic issues on the Swiss capital market. With bond coupons at their present level, borrowers are able to come by funds for the next 10 to 12 years at an annual cost of hardly 5 per cent. At the same time, the investing within a treatment to subscribe to public is keen to subscribe to new paper bearing whet is still a considerable real interest rate

worthwhile return in com-

parison with the share and

In the first eight months of 1983, issues of new domestic bonds had a total nominal value of nearly SwFr 9.9bn, or more than had been booked for any full calendar year to date. Admittedly, an unusually high share of these was accounted for by so-called conversions— the refinancing of redeened borrowings. But even the newmoney figure of SwFr 6.14hn is the highest for any January-August period. This, plus the continued high level of foreign Swiss franc bond offerings and a more-than-doubling of corresponding 1982 domestic share issues, brought the overall newmoney figure on the public markets to an unprecedented

SwFr 13.22bn.
In terms of nominal value. the higgest single borrowers were public authorities (Con-federation, cantons and municifederation, cantons and munici-palities) with SwFr 3.24on, fol-lowed by utilities and banks with approximately SwFr 2hn each. Other main borrower groups were mortgage-bond institutes, industrials (with a relatively modest SwFr 550m) and holding companies. As always, "domestic" borrowers include a number of foreign-controlled financing units such as Remault Holding. Eurofima as Renault Holding, Eurosma and Cie, Financière Michelin which give a hint of the offshore

to a sector of the market.

Everything points to a general decline in Swiss interest retes. Falling Euro-market yields and national inflation at a nearly five year love have nearly five-year low have aiready bad their effect. In early October the four leading big banks reduced their time-deposit rates for the third time in succession since July, which soon after triggered off a move

Elsewhere, first-class domestic

above par—on straight bonds. It remains to be seen what premium will be paid on the Federal float, which is issued on a tender basis. Liquidity is a considerable real interest rate high in Switzerland, not least
— inflation in September was on the part of institutional
only 1.4 per cent—and showing investors, and there is not much going at more attractive con-ditions. Admittedly, 1983 has been heralded as the "Year of the Share," and this is underlined by recent Stock Exchange quotations and a new record in chare turnover; the average yield on Swiss shares, though, remains at helow 2;

per cent.
The Swiss National Bank announced in March last year that it intended to enter into an experimental programme of an experimental programme of buying up more domestic securities, this as a continua-tion of its existing open-market policy. According to M Pierre Languetin, the bank's responsible general manager, these purchases reached nearly SwFr 500m in the first 12-month period. It is intended, he added, to keep up this rhythm in the second phase of

lasider deals

JOHN WICKS

SWITZERLAND IS in the

course of preparing its first-ever law against insider trans-

actions on the stock market.
The Ministry of Justice is expected in the next few days to release a draft text as the

interested parties before presen-

tation of a final Bill to Parliament. This means that the new regulations could come into

effect in or after the spring of

gated the bid by the Canadian Seagram group for St Joe Minerals. The SEC claimed

Minerals. The SEC claimed that clients of the Lugano-based

Banca della Svizzera Italiana had earned \$1m or more by making use of inside informa-tion on the bid. The bank three

of whose accounts were blocked by a New York court order, was

called on to provide informa-tion on the alleged transactions

As has more recently been the case with the Marc Rich commodities company, compli-ance with this request would have meant contravention of

Swiss laws. The bank therefore indicated Its readiness to cooperate with the U.S. authorities, while stressing that this

would have to be within the framework of its obligations

In fact, the Lugano bank got

off the book in November of the same year, when the clients for whom it had bought St Joe call options contacted the SEC to "offer their co-operation in current proceedings." Never-theless, the SEC said

ast month that the file on the

St Joe transactions has not been closed. It declined to comment on whether any other Swiss

A similar case cropped up, also in 1981, when the SEC asked Crédit Suisse, Lombard Odier, and Chase Manhatan Bank (Switzerland) for information in connection with the takeover of Santa Fe International by Kuwait Petroleum Corporation. On the banks'

Corporation. On the banks' declining, for fear of breaking the Swiss bank-secrecy rules,

the Swiss bank-secrety rules, the Commission applied to Berne for legal aid. The banks appealed, and in January 1983 the Swiss Federal Court upheld

These two cases embarrassed the Swiss banking community considerably. In January of last year the Swiss Banker's Asso-dation issued a statement

deploring the misuse of its members as intermediaries in

insider operations, and said it was prepared to co-operate with the SEC in finding correspond-

ing safeguards. It also announced that steps were being

taken to introduce anti-insider legislation in Switzerland Itself.

Priority went to the solving

of the American problem, the association admitting that banks had been put in e "difficult legal position" by U.S. demands for the disclosure of

client information. Since a bilateral legal-aid agreement dating from 1977 did not cover the insider question, an ad hoc

their appeal.

banks might be implicated.

under Swiss law.

Off the hook

"insider problem" has been a live issue, perticularly since early 1981, when the

the U.S. investi-

sis for consultations with

The latest federal bond float, though without any exaggerated issued in the second half of shift into bondholdings. In mid-October, raised SwFr 275m over October, the securities holdings 10 years at a yield of only 4.46 of the National Bank amounted per cent—and even then bonds to little more than SwFr 1.5bn bad to be rationed because of (mainly in public-authority heavy demand. bonds), as compared with almost SwFr 28bn in foreign borrowers bave generally been exchange and SwFr 11.9bn in offering coupons of 42 per cenr gold. Also, purchases are prices of 0.5 to 0.75 per cent the market.

Time-deposit rates

The weakening of time-deposit rates has given a boost to the banks' over-the-counter cash bonds, the so-called Kas-senobligationem. These play an important part in Swiss capital creation, amounting to around important part in Swiss capital creation, amounting to around 10 per cent of the banking system's total liabilities and used primarily to finance export credits and mortgages. Holders are almost invariably Swiss, not least in the light of the imposition of a 35 per cent with holding tax.

The National Bank has, incldentally, the right to hinder what it feels are unjustified increases in the cash-bond rate, especially when these could have an undesirable effect on the highly political mortgage

direct influence - are among the key indicators for the domestic capital market, as are the

Safeguards against

abuses sought

This is based on the signing

of a waiver by clients, permit-ting the banks to disclose their identity where there are

grounds to suspect the abuse of Swiss bank secrecy to further U.S. Insider deals. The decision

on this is taken by a special commission of the association on

a specific request being for-warded by the SEC through the Department of Justice and the Swiss Ministry of Justice.

As yet, no such requests have been made. However, the SEC renewed its application for legal aid in the Santa Fe case this

August It seems unlikely that

the Swiss would agree to a back-dating of the provisions of the

memorandum of understanding,

evidence pointing to alleged contravention of a long-standing

clause in the Swiss penal code concerning the so-called

concerning the so-called betrayal of manufacturing or

Whatever the case, the head-lines about the American con-

troversy have led many people to overlook the fact that Switzerland has had difficulties of its own with insider trans-actions. While bankers claim these have nothing like the

same dimensions as those reported from Wall Street, many

The latest of these, and one in which banks themselves were

denounced as guilty parties, took place this May when news of a

major stock transaction by the Jacobs Suchard coffee and

chocolate group was leaked prematurely and corresponding deals made. Managing director Klaus J. Jacobs bore this less

philosophically than have others in his position and expressed his "deep disappointment at

the obnexious accompaniment to the share issue which he

said he nearly called off as a

information at bome before the recent Ame

result

Difficulties

August

the Securities and Exchange but the SEC might produce new

"memorandum of understand-troubles. In 1970 the Basle ing" was signed voluntarily by Stock Exchange Association associetion members last recommended the introduction

far the highest mortgage debt and savings per head in the world. The National Bank is not everse to making its wishes known in any of these sectors.

The actual discount rate is much less significant than in many other countries, confirming developments on inter-national and home markets rather than acting as a major factor in official policy.

In the money-market sector, Switzerland is largely depen-dent on what goes on abroad. A stamp duty on trade in money-market paper has meant that nearly no business of this kind takes place in the country

Almost 10 years ago the authorities began to study a possible build-up of the money market. This was intended to determine whether the expan-sion of the monetary hase following the freeing of exchange rates should take place via the purchase of domestic assets, as well as to come up with alternative Federal financing means. In fact, not very much has come about. For fiscal and legal reasons, the issue of negotiable. money-market paper has been

As from rate. ever, the Confederation has Cash-bond coupous—the only been issuing limited-bank interest rate on which the negotiability short-term money market paper in the form of "book claims," elso known as ties were first of three months

by the Cantonal banks to cut the experiment. This measure mortgage and savings-account only, later also of six months interest rates on their medium is aimed at diversifying the rates; Switzerland still has by and one month; the future may term cash bonds.

monetary authority's portfolio, far the highest mortgage debt bring a further expansion of

month maturities. Buvers institutionals, the minimum stake being of SwFr 100,000 (originally as much as Sw Fr 500,000). The latest—three-month—issue in mid-October had an annual yield of

3.1 per cent.

At present, there are no signs of the money-market issues being extended to caster other public authorities or even the private sector. The stamp duty will continue to limit possibilities drastically as long as it is in force. This means that swiss banks must still carry out the bulk of their money-market business on the Euromarket. Their time deposits, now running at 3½ per cent for all maturities from three to 12 months and 3½ per cent for the months and 31 per cent for the "unofficial" one to two month deposits, are naturally dependent on Euro-money rates. As was proved in autumn 1981 these can thus shoot up sud-denly and bring the entire Swiss interest scene into in-balance. For the time being though, no new crisis seems to be on its way.

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penal code, a recommendation which also failed to get off, the

Real opposition seems to have faded away. Apart from the SEC attack, and the discom-fort at revent domestic inci-

It remains to be seen what

of some sort of agreement akin to the London "City Code," though this was taken no further by the Association of Swiss Stock Exchanges.

In 1976 the Government of Canton Turish which is recommended. CH-1211 GENEVA 1 Canton Zurich, which is respon-sible for the bourse in thet city, -Tci. (022) 32 98 08 . suggested that an anti-insider clause should be taken into the Tix 423 334

It has without doubt been the campaign by the Securities and Exchange Commissica which has speeded up the pro-

dents, the banks hardly feel able to appear to be supporting something they themselves con-sider undestrable. Since all sider undesirable. Since all stockbroking activities are carried out by banks, incidentally, they have come in for their share of criticism in apparent or obvious insider deals.

in the way of a penal-code

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